

**MINISTRY
ANNUAL SERVICE PLAN
REPORTS 2005/06**

Volume 2



Ministry Annual Service Plan Reports

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Environment including
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**2005/06
Annual Service Plan Report**



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Message from the Minister and Accountability Statement

Transformative change has been the key to British Columbia's progress in the past four and a half years. Our province has experienced remarkable economic revitalization, fiscal renewal and societal achievement.

In February 2005, the government set out its Five Great Goals for B.C.'s golden decade to continue this transformation and sharpen the focus on key priorities that will benefit British Columbians and the environment. (See the Strategic Context section of this report for a list of the Five Great Goals.)

In 2005, as part of a government-wide reorganization, the Ministry of Environment was re-established and redefined, and was joined by the Environmental Assessment Office (EAO). The EAO is a neutral agency with its own budget that coordinates the assessment of the environmental impacts of major development proposals in British Columbia.

This joint 2005/06 Annual Service Plan Report outlines the changes that have occurred within the ministry and the EAO over the past year, and reports on our achievements in meeting the government's goals for maintaining our environmental integrity and sustainability, promoting the health of our citizens and encouraging job creation.

We made progress in 2005 by improving the safety and quality of our precious groundwater resource with the coming into effect of the Ground Water Protection Regulation. We have successfully opposed the Sumas Energy 2 project in Washington State, which posed a major threat to our air quality. We continued to strive for the best air quality possible in British Columbia by supporting projects and education to reduce air pollution and greenhouse gas emissions. In the decade to come, alternative energy will form an integral part of the government's expanded energy vision. In 2005/06, we continued our leadership role in supporting alternative energy technology and effective responses to climate change.

British Columbia parks are our heritage, to enjoy and enhance, then pass on for future generations. Our government made significant capital investments in the parks system in 2005/06 and will continue to do so over the next three years. By sustainably managing this rich legacy, residents and visitors alike are encouraged to explore our province's special places and world-renowned natural beauty. This increases the appreciation of British Columbians for wilderness protection and environmental stewardship, while promoting an active lifestyle.

In 2005/06, the ministry continued to develop collaborative and innovative approaches to environmental stewardship. The new Central Coast and North Coast land use plans cover an area the size of Belgium and a protected area three times the size of Prince Edward Island. They represent an unprecedented collaboration between First Nations, communities, industries, environmental organizations and government. The newly established conservancy designation under the *Park Act* sets aside Crown Land for the protection of its biological diversity, natural environments and recreational values, and the preservation and maintenance of First Nations' social, ceremonial and cultural uses.

The 103,000 hectare Kitasoo Spirit Bear Conservancy will protect the primary habitat of our official provincial mammal, the Spirit Bear.

Other partnerships we have forged in 2005/06 have enabled us to initiate projects across the province to rebuild fish stocks, improve oceans management, improve water quality, and support species recovery. We also are working with partners across government to help mitigate the devastating effects of the mountain pine beetle and are developing simpler and more direct ways for the public to report poachers and polluters. In 2005, we introduced the B.C. Conservation Corps program, which provides work opportunities for students and recent graduates to promote interest in conservation and environmental careers.

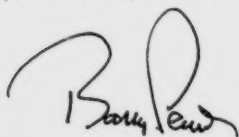
Due to a strong provincial economy fueling mining and energy in the province, along with BC Hydro's call for clean energy and run-of-the-river projects, the Environmental Assessment Office has continued to manage a high workload in 2005/06. Throughout the year, the EAO managed 50 projects, which were in the pre-application and application stages, made three project referrals to ministers for decision, and handled a number of Environmental Certificate Amendments.

The Environmental Assessment Office recently received the 2005/06 Premier's Award for organizational excellence. Receiving this honour is a significant achievement and recognizes the EAO for its performance excellence, best practices and innovative approaches to managing its unprecedented workload.

Collectively, British Columbians understand that the environment, the economy and all social systems are interdependent. We recognize that there are limits to the carrying capacity of our world, and we all share responsibility for the stewardship of our environment.

The government's Five Great Goals set the bar high. The ministry will continue to build new relationships, engage citizens, promote the sustainable use of British Columbia's environmental resources and improve the health of our water, land and air. This 2005/06 Annual Service Plan Report provides an account of our work to date with local governments, regional districts, stakeholders, First Nations and citizens across British Columbia. As a province, we have come a long way in four and a half years, but we have further to go to create sustainable, vibrant communities that make wise use of our natural assets and will provide for their use in generations to come.

The 2005/06 Ministry of Environment including the Environmental Assessment Office Annual Service Plan Report compares the actual results to expected results identified in the joint 2005/06-2007/08 Service Plan Update. I am accountable for those results as reported.



Honourable Barry Penner
Minister of Environment
Minister Responsible for Water Stewardship and Sustainable Communities

June 30, 2006

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Highlights of the Year

Clean and safe water, land and air

- The ministry invested \$500,000 to enhance its air, surface and groundwater monitoring capability in April 2005. These funds were used to maintain, modernize and expand equipment at some of the 37 air quality, 35 surface water and 160 groundwater monitoring locations across the province.
- A Code of Practice for the Discharge of Produced Water from Coalbed Gas Operations came into effect July 1, 2005. The code was developed to ensure that during coal production, when "produced water" is discharged into streams or to the ground, both water quality and the environment are protected.

Water quality and safety

- *WaterBucket* came into being in April 2005. *WaterBucket* (<http://www.waterbucket.ca/>) is an interactive, web-based resource that brings together local governments, water utilities, water suppliers and managers to share information, tools and ideas about water sustainability and conservation. The Ministry of Environment is a key partner in this initiative.
- The new Ground Water Protection Regulation took effect November 1, 2005 to improve the safety and quality of the province's groundwater. New well construction, installation and maintenance requirements are identified in the regulation and a brochure for well owners was produced.
- The ministry is supporting the rehabilitation of the Britannia Mine site. A \$15 million water treatment plant at the site was commissioned in December 2005. The treatment plant is designed to treat an average of 3,000 gallons per minute of metal-laden mine water and groundwater at the Britannia Mine south of Squamish, and will remove a combined total of over 600 kilograms/day of copper and zinc from waters flowing to Howe Sound. The Britannia Project is jointly sponsored by the Britannia Mining Museum, Natural Resources Canada, University of British Columbia and the Province.

Healthy air quality

- Sumas Energy 2 owners in Washington State wanted to build a power plant with a line into Canada through British Columbia to connect to BC Hydro's transmission system. Due to the impact the operation of this plant would have had on British Columbia's airsheds, the government opposed the project. A decision by Sumas Energy 2 to officially terminate the project was made in March 2006.
- Investments of over \$309,000 were made in February 2006 to support eight related projects to reduce greenhouse gas emissions and improve air quality. These projects included a community air quality/health lecture series, clean air forums, research on particulate matter and ozone, and green technology in building design and urban development to reduce greenhouse gases.

Effective responses to climate change

- Research grants of approximately \$88,000 were presented in October 2005 to the University of Victoria and the University of British Columbia to study air quality and climate change.
- The Province provided \$325 million to the OURANOS project to model climate change in P.C.'s mountainous terrain.

Alternative energy

- The Minister was presented with the E-Visionary Award from the World Electric Vehicle Association in December 2005 to recognize British Columbia's leadership in alternative technology such as electric drive and green transportation.
- In January 2006, the ministry presented a \$25,000 grant to the Fraser Basin Council to support market development of biodiesel as a sustainable fuel alternative. The use of biodiesel (made from recycled cooking oil) as a renewable fuel-blend reduces greenhouse gas emissions and most air pollutants.

Effective responses to environmental emergencies

- On August 5, 2005, a Canadian National Railway train derailed, spilling sodium hydroxide into the Cheakamus River. A Technical Committee led by the ministry was struck to develop a recovery plan. The ministry recommended angling closures, habitat enhancement techniques, and limited hatchery augmentation to assist in the recovery of steelhead stocks.
- The ministry's spill response team was at the site of the March 2006 ferry sinking of the Queen of the North within hours of its occurrence. Ministry of Environment staff continue to work on protecting the areas affected by the ferry accident and are committed to the development of a long-term monitoring and rehabilitation plan, if necessary.
- In the fall and winter of 2005/06, due to the provincial mountain pine beetle epidemic, beetle-attacked pine trees in Lac le Jeune, Tunkwa, Ten Mile Lake, Manning, Silver Star and Pinnacles provincial parks were removed from park areas to ensure public safety from falling trees and reduce risks from potential wildfires. These projects were managed by the ministry's parks and protected areas staff. Mountain pine beetle control actions were also conducted in cooperation with the Ministry of Forests and Range in Monkman, Wapiti, Kakwa, Robson, Babine River and Elk Lakes provincial parks. These latter projects were conducted under the Mountain Pine Beetle Emergency Response Canada – B.C. Implementation Strategy.¹

¹ For more information on this strategy, please see the Ministry of Forests and Range 2006/07 – 2008/09 Service Plan. Available at <http://www.bcbudget.gov.bc.ca/2006/sp/for/>.

Healthy and diverse native species and ecosystems

Protected, maintained and restored native species and ecosystems

- Funding in the amount of approximately \$3.6 million was provided to the ministry by the Habitat Conservation Trust Fund for 78 fish and wildlife projects. These projects include river and stream restorations, steelhead recovery, grassland ecosystem restoration and wildlife population studies.
- Fifteen marmots were released back into the wild in 2005. Seven Vancouver Island marmots, Canada's most endangered mammal, were released in the Haley Lake Ecological Reserve near Nanaimo in July 2005. This brings the number of marmots now living in the wild on Vancouver Island to approximately 30 to 35 individuals. The success of the breeding and recovery program suggests that the restoration of the wild population is possible and can reach self-sustaining levels.
- The Living Rivers Trust Fund was tripled with the addition of \$14 million.

Parks and protected areas

- Amendments to the *Protected Areas of British Columbia Act* were passed in March 2006 establishing four new Class A provincial parks (Enderby Cliffs, Kiskatinaw River, Klin-se-za and Sikanni Chief Canyon) and adding lands to three existing Class A parks and one existing ecological reserve.
- Amendments to the *Protected Areas of British Columbia Act* were passed in November 2005 to add lands to Charlie Lake Park in the Peace Region and San Juan River Estuary Ecological Reserve on west Vancouver Island.
- In 2005/06, the ministry acquired, through purchase, exchange or donation, 13 properties valued at approximately \$13 million. All acquisitions were private lands that will either become additions to existing parks or new protected areas.
- In 2005, the Province made a commitment to invest \$20 million for park capital improvements over three years, including \$12.2 million in the 2005/06 budget.



British Columbians understand that they share responsibility for the environment

Shared stewardship

- Introduced in 2005, the British Columbia Conservation Corps is a program that provides work opportunities for students and recent graduates to promote interest in conservation and environmental careers. Over 150 Corps members were employed in 2005/06 to work on 34 projects located throughout the province. Projects included work related to species at risk inventory; data collection and monitoring; surveying angler usage and satisfaction; implementing bear awareness and bear aversion strategies; mapping vegetation and managing invasive plants; assessing mosquito breeding sites in conjunction with research into West Nile Virus; and restoration and restocking of steelhead habitat.

Product stewardship

- Electronic products were added to the B.C. Recycling Regulation in February 2006. The electronic products included in the B.C. Recycling Regulation are computers, monitors, desktop printers and televisions. Disposal of these products has become a growing concern with the expansion of technology industries. It is estimated that up to 70% of electronic waste can be recycled.
- Scrap tires were added to the B.C. Recycling Regulation in March 2006 in order to divert them from going into landfills and/or to stop illegal dumping. The regulation places responsibility on manufacturers for end-of-life product management. This includes reducing the environmental impacts, collection, storage and safe disposal of product residuals.

Conservation Officer Service

- New highway signs, a website and a toll-free hotline for the public to "report all poachers and polluters" (RAPP) were introduced in March 2006. The new online reporting form will make it easier for the public to report violations of environmental regulations.
- The Conservation Officer Service celebrated 100 years of service to the province. The role of Conservation Officers is to protect the environment where human health and safety are at risk. The Conservation Officer Service works with other Ministry of Environment staff to ensure compliance with environmental legislation. Officers also respond to wildlife-human conflicts.
- The Conservation Officer Service successfully implemented a Seasonal Conservation Officer program, hiring and training 13 Conservation Officers to provide additional compliance and enforcement capacity during those times of increased operational pressure.

Sustainable use of British Columbia's environmental resources

Sustainable and collaborative management and use of marine and ocean resources

- Contributions in the amount of \$190,000 were made during the 2005/06 fiscal year to help reform the management of Pacific salmon fisheries; support the implementation of a new integrated Groundfish Quota Management system; build new approaches to recreational fisheries development and marketing; and support oceans science and technology development projects.
- Ministry staff represented the British Columbia seafood industry at the European Seafood Show in Brussels in May 2005 and at the North American Seafood Show in Boston in March 2006. Ministry staff promoted our seafood sector companies to key international markets.
- In 2005/06, the ministry established a new Oceans Coordinating Committee in conjunction with the Government of Canada to collaboratively deliver programs and initiatives for Canada's Ocean Strategy.
- The Oceans and Marine Fisheries Division worked with BC Parks and the Integrated Land Management Bureau to update resource data on the province's Marine Protected Areas (MPAs). This update will help to identify the potential conservation contribution of provincial protected areas to a national system of MPAs.

Compliance

- The ministry established a new Compliance Division in February 2005. This division consolidates the strategic development of compliance policy and planning with the operational delivery of compliance and enforcement to provide ministry-wide leadership, innovation and services in support of the ministry's compliance goals.
- The ministry's new Compliance and Enforcement Policy and Procedures were completed in June 2005. This document guides the selection of appropriate compliance tools to ensure compliance with regulatory requirements. Compliance tools include warnings, advisories, tickets, investigations and/or prosecutions.
- The ministry announced that it will be releasing a Quarterly Compliance and Enforcement Summary to demonstrate its commitment to being publicly accountable for achieving its environmental protection responsibilities.
- The ministry provided funding of \$330,000 for the province-wide Bear Smart program.

Purpose, Vision, Mission and Values

Purpose

The transformation of the Ministry of Water, Land and Air Protection into the Ministry of Environment was an opportunity to reaffirm our mandate to protect, manage and enhance the province's natural environment, a responsibility we share with all British Columbians. We champion environmental stewardship through partnerships and volunteer programs, environmental awards and consultative processes that engage stakeholders, and we vigorously promote the sustainable use of the province's environmental resources. We strive to ensure that healthy and diverse native species and ecosystems are maintained and that outstanding outdoor and wildlife services and opportunities are available to all.

To continue to offer the best possible service to British Columbians and uphold our vision, mission and values, we ensure that our planning and management decisions are informed by science, our results achieved through innovative legislation and effective program development, and B.C.'s environmental resources are protected by a full range of effective compliance and enforcement services.

Vision, Mission and Values

As a result of the government-wide reorganization in 2005, the Ministry of Environment assumed responsibility for marine fisheries from the former Ministry of Agriculture, Food and Fisheries,² and for water stewardship and the Conservation Data Centre from the former Ministry of Sustainable Resource Management and Land and Water BC. At the same time, the Minister of Environment assumed responsibility for the Environmental Assessment Office.

These new responsibilities required us to restructure our organization (see Figure 1 under Ministry Organization).

To support this new corporate structure and enhance our ability to support the government's goal of sustainable environmental management, the ministry revitalized its vision, mission and values, and redefined its goals, objectives, strategies and performance measures over the fall of 2005. These changes were confirmed in the February 2006/07 – 2008/09 Service Plan and now provide the foundation upon which the ministry operates. The ministry's new vision, mission and values are presented below. See Appendix B for a comparison between our old and new vision, mission and values. For more information about changes to the ministry's goals, objectives, strategies and performance measures, go to the Report on Performance section.

² Now called the Ministry of Agriculture and Lands.

Vision

Our new vision recaptures the public purpose we serve and our continued commitment to safeguard British Columbia's environmental legacy.

A clean, healthy and naturally diverse environment.

Mission

Our new mission continues to reflect our evolving leadership role and our reliance on the people of British Columbia to help us reach higher goals for environmental stewardship and sustainability.

Lead, inform, involve and support British Columbians to achieve the best environmental stewardship and sustainability.

Values

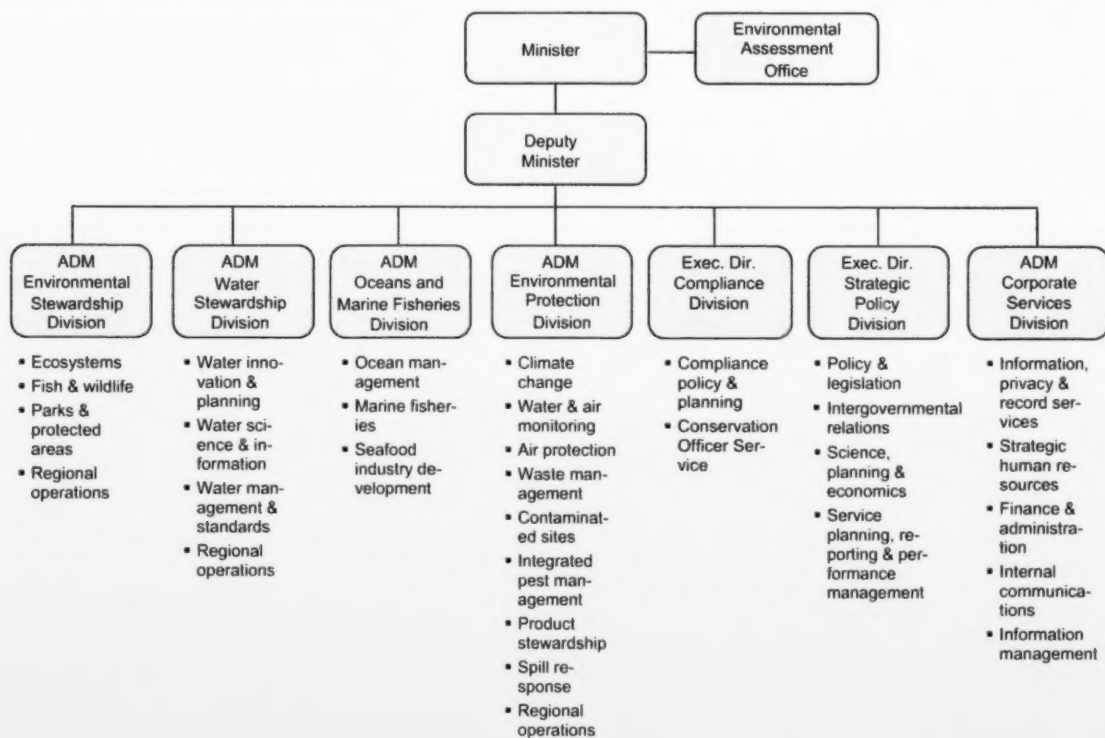
Our new values redefine our corporate behaviour, shift our focus onto meeting the service needs of our clients in an objective and accountable way and provide a challenging and supportive work environment to staff. These statements guide our policies, decisions and daily work.

- *Service* — We provide service that is responsive, adaptive and based on client needs.
- *Objectivity* — We perform our work in a professional manner that promotes an objective approach to environmental management.
- *Integrity* — We act in a truthful, ethical and transparent manner.
- *Excellence* — We encourage innovation, creative solutions and a culture of continuous learning.
- *Accountability* — We are efficient and effective in our work and accountable to the Legislature and the public for results.
- *Wellness* — We believe in a working environment that promotes health and well-being, and allows staff to achieve their highest potential.

Ministry Organization

The Ministry of Environment currently has seven divisions to support the programs, services, and initiatives carried out by its six core business areas. The Strategic Policy Division and Corporate Service Division are represented as one core business area under Executive and Support Services. Figure 1 shows the ministry's organizational structure and the main responsibilities for each division. For a more detailed overview of core business area responsibilities, see the Service Delivery and Core Business Areas section of this report.

Figure 1. Ministry of Environment organizational structure



Strategic Context

Introduction

The ministry plans and assesses its performance within a context of external and internal factors. These factors include trends and shifts in the environment, economy and society and within government itself, as evidenced by the government's ministry-wide restructuring and the introduction of its Five Great Goals. Over the previous year, as in other years, the ministry analyzed these factors and made operational adjustments where necessary to ensure that it continued to fulfill its mandate and meet government priorities.

Government Goals and Priorities

The government's Five Great Goals provided renewed direction and context for the work of the ministry during 2005/06. These goals are:

1. Make British Columbia the best-educated, most literate jurisdiction on the continent.
2. Lead the way in North America in healthy living and physical fitness.
3. Build the best system of support in Canada for persons with disabilities, those with special needs, children-at-risk, and seniors.
4. Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.
5. Create more jobs per capita than anywhere else in Canada.

The government's reorganization in 2005 resulted in additional responsibilities for the ministry in the core business areas of Water Stewardship and Oceans and Marine Fisheries. The ministry's new corporate framework and revised vision, mission, goals and objectives better reflect its enhanced mandate and the government's Great Goals. The ministry has a leadership role in achieving the government's objectives under Great Goal 4 and accountability for Great Goals 2 and 5.

External Factors

Environmental Factors

In 2005/06, the ministry has continued to build on existing programs and develop new initiatives to provide renewed direction in sustainable environmental management. However, despite these efforts, certain challenges remain. A number of environmental trends are negative, and their threat to the environment is increasing. Science shows that climate change may have more significant implications than previously predicted. Loss of habitat threatens biodiversity in British Columbia and other parts of the world. Industrial contaminants are becoming more widely dispersed in our air, water, land and species. Human-caused and naturally occurring contaminants negatively impact water quality, and water supplies are increasingly under pressure, as are important resources such as marine fisheries. Despite the challenges such threats present, the ministry continues to make significant headway on a number of environmental fronts.

Climate Change

Steady increases in average temperatures have been recorded in British Columbia and other parts of the world. This trend and the more volatile weather patterns linked to it have far-reaching implications for government, society and ecosystems. Preparing for, adapting to and developing initiatives to mitigate climate change are government priorities. The Ministry of Environment is the lead agency for implementing the government's response to climate change as outlined in *Weather, Climate and the Future: B.C.'s Plan*. The ministry has been developing more initiatives to manage greenhouse gas emissions and enhance British Columbia's capacity to assess impacts connected with climate change and manage climate-related risks such as changes in water quantity, quality and timing of river flow, pest outbreaks, species distributions, and agricultural conditions. The ministry also invested approximately \$88,000 to support research in the areas of climate change and air quality.

Mountain Pine Beetle

The outbreak of mountain pine beetle in British Columbia has been ongoing for approximately 10 years, but the infestation has increased rapidly in recent years to become the largest in Canadian history.³ Many forest values are affected by the mountain pine beetle infestation, such as landscape aesthetics and tourism, water quality and wildlife habitat. The ministry continues its work on cross ministry initiatives related to the management of the infestation within parks and protected areas, including the Mountain Pine Beetle Action Plan. In 2005/06, the ministry authorized the removal of infested pine trees in several provincial parks to lessen the risks associated with this devastating biological event.

Air Quality

Air quality can be affected by many factors such as economic activity, population size and density, energy consumption, topography, meteorology and seasonal variations. Pollutants such as carbon monoxide, lead, nitrogen dioxide, ozone, volatile organic compounds (VOCs), particulate matter and sulphur dioxide can negatively affect our health and the environment, cause property damage and contribute to climate change. The responsibility for air quality regulation and monitoring is shared among federal, provincial and local governments. Improving air quality is a key component of Great Goal 4, and the ministry continues to support strategies, such as the Clean Air Strategy, and initiatives to promote cleaner air and reduce greenhouse gas emissions. The ministry is also seizing opportunities to work with community partners on the development of airshed plans throughout the province.

³ Natural Resources Canada. *The Mountain Pine Beetle Initiative: Federal Forestlands Rehabilitation Program. First Nations Mountain Pine Beetle Element*. 2003. Available at: http://mpb.cfs.nrcan.gc.ca/federal/first_nations/funding/FirstNations_Guidelines_e.pdf.

Water Quality and Supply

The need for clean, safe and abundant water resources is fundamental to maintaining our health, prosperity and the environment, and is an important part of Great Goal 4. British Columbia's water resources support vital uses such as drinking water, recreation, wildlife habitats, fisheries, and commerce. Demands on water supplies from population growth, agricultural use and industrial development will continue to increase, especially as British Columbia's population is expected to increase by more than 30% in the next 25 years.⁴ In areas such as the Okanagan Basin, which is a vital and rapidly growing region in British Columbia, the ministry is working in partnership with the Okanagan Basin Water Board and its Water Stewardship Council to assess current and future water availability and demand.

Biodiversity

Biodiversity is life in all its forms and the habitat and natural processes that support it. British Columbia is home to a rich diversity and abundance of native species and habitats. Programs within the ministry endeavour to conserve biodiversity and the viability of ecosystems, which support all forms of life, moderate climates, filter water and air, and preserve soil and its nutrients. The ministry has prepared a document entitled *Develop with Care: Environmental Guidelines for Urban and Rural Development in British Columbia*, which provides province-wide guidelines for maintaining environmental values during the development of urban and rural lands.

Oceans and Marine Fisheries

The ocean resources and marine fisheries of British Columbia are important contributors to the provincial economy and are the foundation for many coastal and First Nation communities. There are cross jurisdictional responsibilities for and interests in ocean resources and marine fisheries at all levels of government and by many organizations. Finding opportunities to develop effective partnerships and coordinate ministry activities with these entities is essential to protecting and enhancing B.C.'s interests and in meeting the government's objectives under Great Goal 4. The ministry worked with the Canadian Oceans Information Network (COIN Pacific) to assist with the transition from government to its new host at the University of Victoria. Here COIN Pacific will continue to provide increased public access to oceans information and help stimulate oceans science and technology in B.C. In 2006, the government will invest in a number of ocean, fish and watershed projects across the province to help rebuild fish stocks and improve oceans management and water quality.

Parks, Ecological Reserves and Protected Areas

The significance people put on the world's great natural areas and cultural sites arises from a widely varying and sometimes conflicting array of values and beliefs.

⁴ B.C. Stats. P.E.O.P.L.E. May 2005. Available at <http://www.bcstats.gov.bc.ca/data/pop/pop/Project/P30BCIntro.pdf>.

As British Columbia's population grows, and the economy continues to be strong, there is increasing pressure on the province's many significant and world-renowned parks, ecological reserves and protected areas. In early 2006, the government announced historic provincial land use decisions for the Central Coast and the North Coast. This unprecedented collaboration between First Nations, industry, environmentalists, local governments and many other stakeholders will determine how the vast richness of B.C.'s coast is managed for the benefit of all British Columbians. Legislation was introduced by the Minister of Environment in April 2006 to establish a new "conservancy" designation for protected areas that is vital to implementing these land use decisions.⁵

Economic Factors

Economic growth in British Columbia has been strong, supported by robust domestic demand, strong business investment and higher consumer spending. The expanding economy of emerging countries such as China and India has resulted in enhanced markets for our products such as coal and metals. The increasing demand for oil and gas also presents enhanced economic opportunities as well as difficult environmental challenges for the province.

Such a robust economy requires effective resource stewardship by everyone involved. Business plays an integral role in society: developing the economy, creating jobs and building wealth. Society expects businesses to be increasingly responsible for their actions, changing their behaviour while meeting consumer demands. The ministry continues to work with companies to focus on generating broader social and environmental dividends through investments in cleaner technology and corporate responsibility.

Societal Factors

Activities associated with population growth and human activity such as expanding development, increasing use of fossil fuels, changing land use patterns and associated economic activities put increasing pressure on the environment. British Columbians realize the government is not and cannot be the sole protector of the environment and that environmental stewardship is everyone's responsibility. The ministry is enhancing and promoting shared stewardship through various strategies such as the B.C. Water Strategy and the Clean Air Strategy. The ministry is also continuing to expand its product stewardship programs. Electronic products and tires were both added to the B.C. Recycling Regulation in 2006. The regulation puts the responsibility on producers to redirect recyclable material from landfills.

Other External Factors

Unforeseen disasters and severe natural or biological events that impact our ecosystems and human health and safety cannot always be predicted. However, the ministry must anticipate such events and manage them once they do occur, as it did for the devastating forest fires

⁵ The legislation, Bill 28-2006, the *Park (Conservancy Enabling) Amendment Act, 2006*, was passed in April 2006 and will be brought into force by Order in Council.

of 2003 and the Avian Flu outbreak of 2004. In 2005, the ministry responded quickly to the sodium hydroxide spill into the Cheakamus River from a derailed Canadian National Railway train. The spill killed approximately 90% of the fish in the river at the time of derailment, threatening species, habitat and economic livelihoods. The ministry is continuing to work with local partners to restore the health and diversity of this important ecosystem. In 2006, ministry staff responded within hours of the tragic sinking of the Queen of the North and worked closely with First Nation and emergency preparedness partners to mitigate environmental damage.

Internal Factors

Changing organizational structure

The year 2005/06 was a time of transition for the ministry, which included integrating new business areas, changing from a division centric focus to a cross ministry focus, continuing to build a unified staff culture, and coordinating the planning, management and reporting operations of a new entity. The ministry will continue to evolve in its role, focusing on achieving the government's objectives of leadership in sustainable environmental practices and maintaining a healthy environment.

Capacity

The ministry achieved its objectives over the previous year through effective relationships with partner and service delivery agencies, and through continued efforts to streamline processes and focus resources on clearly defined goals, objectives and strategies. In addition, the ministry continued to advance good business practices and improved technology, and ensured staff were provided with the support, training and tools necessary to do the job. These conditions were critical to the ministry successfully achieving its mandate in 2005/06.

Staff retirements

The public sector is in the early stages of a profound transition. Two hundred and ninety seven of the ministry's staff are expected to retire over the next five years, including a significant number of senior managers. This could result in a significant loss of corporate memory, technical expertise and general capacity. The ministry has developed a People Strategy that outlines the ministry's key human resource objectives for the coming year and is working to identify and resolve future workforce planning needs and challenges. In 2005, the ministry established the B.C. Conservation Corps, which will develop student and graduate skills, provide mentoring opportunities and inspire a new generation of conservationists and future ministry employment candidates.

Risk Management

The government defines risk as the uncertainty that surrounds future events and outcomes, such as those mentioned above. Managing adverse events that could influence ministry progress requires planning — identifying and taking action to minimize the likelihood of risk and the consequences should an event occur.

All core business areas within the ministry address risk in the development, monitoring and implementation of their initiatives, regulations, services and programs. For example, protecting the health of British Columbians and taking a leadership role in environmental stewardship requires programs to clearly identify, assess and undertake activities to mitigate potential risks related to water quality, air quality, contaminated sites and managing species at risk.

In addition, the ministry has a diverse set of proactive planning approaches in which risk is identified, assessed and management strategies are developed and implemented. Some examples include:

- **Ministry Audit and Risk Management Committee:** This Executive-level committee ensures audits are undertaken as a result of a risk-based prioritization model. Audits may include financial management, information systems reviews, and compliance audits (contractual, regulatory and legislative).
- **Program Evaluation and Business Reviews:** Program evaluations and cross ministry business reviews are undertaken by the ministry. Results are analyzed and corrective activities are incorporated into business planning and decision-making.
- **Financial Risk Management (FRM):** FRM, with respect to managing the ministry's budget, includes planning, quarterly reporting, balance reviews and variance analysis. Financial policies and procedures in accordance with the *Financial Administration Act*, including contract management, are continually updated and communicated through training programs. Ministry transfer payments are monitored and audited for policy compliance. FRM is also supported through the ministry's Audit Plan.
- **People Planning Committee:** This cross ministry committee researches issues and develops effective human resource strategies to address future risks associated with workforce needs and succession planning.
- **Business Continuity Management Program (BCMP):** The BCMP is an integral part of the ministry's risk management approach. The ministry is responsible for developing and implementing a business continuity plan to ensure availability of ministry services, programs and operations, and the timely resumption of services in the event of a major failure, emergency or disaster.
- **Structured Decision-Making (SDM):** The SDM process is used to consider uncertainty and consequences in the evaluation of alternative management policy options. SDM allows decision-makers to make "risk" trade-offs based on a better understanding of the technical information and the values and risk tolerance of stakeholders.

Government continues to be called upon to anticipate and address new and emerging risks, as well as potential opportunities. Most issues relating to the environment are complex and have profound implications for both the environment and society. Science plays an important role in effective environmental decision-making. Ministry decision-making processes are informed by the best available science, supported through adaptive management⁶ processes and depend on the sound and rigorous judgement of knowledgeable and professional staff.

⁶ Adaptive management is defined as a systematic process for continually improving management policies and practices by learning from the outcomes of operational programs.

Service Delivery and Core Business Areas

Our service delivery is citizen-centred and our clients are all citizens of British Columbia — we serve them in their communities, in their businesses and in their workplaces. The success of our work relies on a highly skilled workforce and on our ability to form effective relationships with other government bodies, First Nations, industry, associations, communities and environmental groups.

The ministry's values of service, objectivity, integrity, excellence and accountability are the foundation upon which we build our relationships and deliver our services.

As described in the Purpose, Vision, Mission and Values section of this report, our new corporate structure, which resulted in the formation of two new core business areas (Water Stewardship and Oceans and Marine Fisheries), enables us to expand our services to a broader client base and ensure that our mandate continues to be fulfilled.

Service Delivery

We deliver our programs and services through six core business areas functioning in seven divisions, and through staff located in regional offices throughout the province. In addition to Vancouver Island, we have offices in the Lower Mainland, Thompson, Okanagan, Kootenay, Cariboo, Skeena and Omineca/Peace regions (see Appendix C for a complete list of our offices).

Our regional delivery model is just one way we provide service. Many of B.C.'s provincial parks' facilities and services are managed by contractors (park facility operators) who operate the parks based on specific standards approved by BC Parks. As well, qualified professionals⁷ help the ministry in its work under legislation such as the *Environmental Management Act*.

One of our key ministry values is providing service that is responsive, adaptive and based on client needs.

Our regional delivery model helps us respond more effectively to clients in their communities and helps us engage them in innovative projects and initiatives, such as monitoring the health of local water bodies.

We support organizations such as the Habitat Conservation Trust Fund, the Freshwater Fisheries Society of B.C. and the Pacific Salmon Endowment Fund Society, who help fund local programs such as habitat restoration, resource stewardship, habitat protection and strategic resource enhancement.

We actively participate in a number of cross government initiatives, such as the Action Plan for Safe Drinking Water and the Mountain Pine Beetle Action Plan, and work with

⁷ A qualified professional is a professional with specific qualifications, training and experience authorized by legislation to undertake work defined by the standards and accountabilities of that legislation.

and depend on the contributions and support of a range of partners. Such efforts are aimed at ensuring that British Columbians have a clean and safe environment in which to live and play, and a vital resource base on which their communities can depend. Our partners include, but are not limited to: Ministry of Agriculture and Lands, Ministry of Energy, Mines and Petroleum Resources, Ministry of Forests and Range, Ministry of Health, Ministry of Transportation, Integrated Land Management Bureau, Fisheries and Oceans Canada, Environment Canada, First Nations, and a variety of other agencies and organizations. We are also quite involved, along with other ministries, in ActNow BC, government's initiative to have the province lead the way in North America in healthy living and physical fitness and make British Columbia the healthiest jurisdiction ever to host an Olympic Games.

We also look outside British Columbia to build relationships and coordinate our work with other provincial partners. For example, we are continuing to develop and implement collaborative strategic approaches to common areas of environmental management, including regulatory harmonization with Alberta. This collaboration will allow a better understanding of the environmental management approaches used by each jurisdiction and an opportunity to identify and prioritize areas that may be considered for harmonization.

To reflect our values of *service, excellence and accountability*, we continuously strive to ensure the quality, efficiency and effectiveness of our programs and services, as well as those of our delivery agents, through program evaluation, business reviews, audits and satisfaction surveys. For example, park facility operators are required to submit annual operating plans and updated three-year business plans and are inspected and evaluated annually. As well, in order to more accurately measure the extent to which our services are being provided in a citizen-focused manner, in the future, the ministry will be reporting on a performance measure that captures changes in the satisfaction of client groups.

Legislation is the foundation upon which the ministry delivers its programs and services. Our focus is on results-based legislation. This means that the ministry is responsible for setting standards and monitoring and auditing outcomes. Significant legislation that drives ministry programs includes:

- the *Environmental Assessment Act*
- the *Integrated Pest Management Act*
- the *Wildlife Act*
- the *Water Act*
- the *Environmental Management Act*
- the *Protected Areas of British Columbia Act*
- the *Park Act*

A full listing of all the legislation that the Ministry of Environment administers appears in Appendix D.

Core Business Areas Overview

The ministry delivers its services, its mandate, and addresses the government's Great Goals through the following core business areas.

Core Business Area: Environmental Stewardship

This core business area is led by the Environmental Stewardship Division. Key programs and services focus on working with other ministries, First Nations, industry, communities and governments to establish standards for the use and protection of species and habitats. This area has the lead role in collecting, maintaining and managing the scientific information necessary to ensure these standards represent the best available science. Other programs and services focus on the provision of outdoor opportunities in B.C. parks and protected areas, allocation of natural resources for hunting, angling and wildlife viewing, and helping to ensure the economic potential of these activities is realized in a sustainable way. Key functions focus on shared stewardship and sustainable economic development and are aimed at maintaining and restoring fish and wildlife species and their habitats. This core business area also works to promote the effective management of fish, wildlife and park resources. Environmental Stewardship provides and enhances park, freshwater fish and wildlife services and opportunities for British Columbians and others. This area establishes legislation (e.g., *Park Act*, *Protected Areas of British Columbia Act*, and *Wildlife Act*), and policies and procedures that allow for the protection and conservation of our natural environment.

Approximately \$81,699,000 and 474 FTEs were dedicated to this core business area in the 2005/06 fiscal year.

Core Business Area: Water Stewardship

This core business area is led by the Water Stewardship Division. Key programs and services focus on providing provincial leadership in ensuring the water resources and aquatic ecosystems of British Columbia are safe, sustainable and valued by all. This involves protecting and managing water quality and quantity to optimize the benefits and sustainability of the province's water resources for communities, the economy and the environment. The division leads innovative approaches to water governance; develops legislation and non-regulatory tools; develops and delivers science and information critical to understanding and managing the water resource; and carries out statutory and public safety functions that support fair and sustainable water allocation, protect groundwater resources and minimize the risk to British Columbians from floods and droughts. Other program areas include water planning, source drinking water protection, and water utility regulation. The division, through the Comptroller of Water Rights, is responsible for administering the *Water Act*, *Water Protection Act* and *Water Utilities Act*. This core business area's work places a high priority on fostering water stewardship through public awareness, education, partnerships and capacity building.

Approximately \$15,435,000 and 87 FTEs were dedicated to this core business area in the 2005/06 fiscal year.

Core Business Area: Oceans and Marine Fisheries

The Oceans and Marine Fisheries Division leads this core business area in the development and implementation of the provincial government's ocean resources and marine fisheries initiatives. The focus of the program includes sustainable and integrated management and use of B.C.'s ocean resources, a stable and diverse marine fishery that provides broad social and economic benefits for British Columbians, and growth and diversification of a seafood sector that offers strong competition in global markets with a focus on sustainability and quality. Key functions include leading the development of provincial oceans interests and objectives; creating collaborative provincial-federal resource management strategies; developing shared governance frameworks to ensure a stronger provincial role in the management of marine fisheries and ocean resources; supporting traceability and certification programs; and marketing the sustainability and quality of B.C.'s seafood industry in the global marketplace.

Approximately \$2,353,000 and 8 FTEs were dedicated to this core business area in the 2005/06 fiscal year.

Core Business Area: Environmental Protection

This core business area is led by the Environmental Protection Division. Key programs and services focus on protecting human health and maintaining high environmental standards for water, land and air by promoting sustainable environmental practices in communities through partnerships and education on best management practices; maintaining a system for air and water quality monitoring and reporting; and regulating and monitoring industrial and community activities to ensure compliance. This core business area also focuses on providing opportunities such as industry-led stewardship programs for the reuse and recycling of post-consumer products; shifting the responsibility for lower risk spills to industry and partners; and leading the provincial climate change initiative.

The development and enactment of legislation such as the *Environmental Management Act* and the *Integrated Pest Management Act* facilitate implementation of outcome-based regulations that provide clear roles for governments and stakeholders, consistent performance standards, updated fee structures, decreased remedial and legal costs, and a greater focus on those not in compliance with regulatory requirements. This business area continues to develop, amend and implement regulations, codes, policies and procedures that support the outcome-based model and protect water, land and air.

Approximately \$40,855,000 and 251 FTEs were dedicated to this core business area in the 2005/06 fiscal year.

Core Business Area: Compliance

This core business area is led by the Compliance Division.

Key programs and services focus on providing ministry-wide leadership, innovation and services in support of the ministry's compliance goals.

Activities include providing expertise in environmental investigation and enforcement, wildlife/human incident response and preventative programs, and compliance techniques and tools. Key functions include delivering a full range of compliance-related activities, including educating citizens to be better stewards; promoting the understanding of, and compliance with, regulatory requirements; conducting investigations; and working with ministry programs on a range of enforcement options.

The division supports the management and delivery of compliance activities in a manner that is timely, appropriate and consistent with the mandate of the ministry, and with the risk to the environmental values at issue.



Approximately \$16,376,000 and 137 FTEs were dedicated to this core business area in the 2005/06 fiscal year.

Core Business Area: Executive and Support Services

The Deputy Minister's Office, Strategic Policy Division and Corporate Services Division lead this core business area and support other core business areas to achieve ministry objectives. Key programs and services focus on the planning and development of effective policies and legislation. Other key programs include intergovernmental relations; structured decision-making; State of the Environment reporting; economic analysis; and service planning, reporting, evaluation and performance management. Other key functions cover a full range of financial, human resource, administration and information systems services (these services also support the Ministry of Agriculture and Lands and the Integrated Land Management Bureau).

Approximately \$22,782,000 and 107 FTEs were dedicated to this core business area in the 2005/06 fiscal year.

Report on Performance

The *Budget Transparency and Accountability Act* sets out government's accountability framework and planning and reporting requirements. The framework provides a continuous line of accountability from government through ministries to core business areas and individual employees. It is characterized by a cascading series of goals, objectives, strategies and performance measures to assess progress toward their achievement. Also included in the accountability framework are employee performance plans to align personal responsibilities with accomplishment of the ministry's goals and objectives.

All components of the accountability framework are closely integrated. Therefore, when a goal is revised or replaced (for example, to better reflect the link between what the ministry is doing and the government's strategic direction), so must the objectives, strategies and performance measures associated with it be revised or replaced. This is the cycle of continuous improvement, and it underpins both effective public service planning and meaningful, accountable public performance reporting.

When the ministry developed its new corporate structure in 2005, it revitalized its vision and mission and redefined its values. This meant that the ministry's goals, objectives, strategies and performance measures had to be revised in order to align with a more sharply focused vision and mission and a more client-centred set of values. This reflected a significant change from the goals, objectives and strategies presented in the September 2005/06 – 2007/08 Service Plan Update.

Because of this change, the ministry decided it was not a true reflection of accountability to report on goals that no longer exist. Therefore, while the Report on Performance section will report on the ministry's progress over the 2005/06 fiscal year, it will report on performance measures as they currently exist under the ministry's new goals and objectives.

The following tables show the changes to ministry goals, objectives, strategies and performance measures that took place between the September 2005/06 – 2007/08 Service Plan Update and the February 2006/07 – 2008/09 Service Plan.⁸

⁸ The Ministry of Environment's September 2005/06 – 2007/08 Service Plan Update is available at http://www.bcbudget.gov.bc.ca/2005_Sept_Update/default.htm. The Ministry of Environment's February 2006/07 – 2008/09 Service Plan is available at <http://www.bcbudget.gov.bc.ca/2006>.

Summary of Changes to the Ministry of Environment Service Plan

Table 1 summarizes the changes made to the ministry's goals and objectives. The left-hand column reflects the goals and objectives in the September 2005/06–2007/08 Service Plan Update. The right-hand column reflects the goals and objectives in the February 2006/07–2008/09 Service Plan.

Table 1. *Changes to Ministry of Environment Goals and Objectives in 2005/06*

Goals and Objectives September 2005/06–2007/08 Service Plan Update		Goals and Objectives February 2006/07–2008/09 Service Plan	
Goals	Objectives	Goals	Objectives
1. Protect the environment and human health and safety by ensuring clean and safe water, land and air	1.1 Streamline standards and improve monitoring, reporting and compliance	1. Clean and safe water, land and air	1.1 Enhanced protection and stewardship of our water resources
	1.2 Limit air pollution and lead British Columbia's efforts to respond to climate change		1.2 Reduced contamination from toxins and wastes
	1.3 Ensure safe, high-quality drinking water and reduce discharges that threaten water quality		1.3 Healthy air quality
	1.4 Reduce/remove toxins and wastes that contaminate land		1.4 Effective responses to climate change
	1.5 Effective response to high-risk environmental emergencies		1.5 Effective management of environmental risks
2. Maintain and restore the ecological diversity of fish and wildlife species and their habitats	2.1 Clear strategies and legislation to protect and restore species and their habitats	2. Healthy and diverse native species and ecosystems	2.1 Well-managed and accessible information on species and ecosystems
	2.2 Improved use of scientific and inventory information for the development of standards and for effective management, monitoring and reporting		2.2 Well-maintained parks and protected lands
	2.3 Increased number of partnerships to conserve species and their habitats		2.3 Protected, maintained and restored native species and ecosystems
3. Provide and enhance park, fish and wildlife services and opportunities for British Columbians and others	3.1 High-quality park facilities, services and opportunities	3. British Columbians understand that they share responsibility for the environment	3.1 British Columbians understand the benefits of healthy living and the effect of their actions on the environment
	3.2 High-quality hunting, angling and wildlife viewing opportunities		3.2 Shared stewardship
	3.3 Optimize the economic contribution of park, fish and wildlife opportunities		3.3 Industry and client groups are knowledgeable and implement best environmental management practices

Goals and Objectives September 2005/06–2007/08 Service Plan Update		Goals and Objectives February 2006/07–2008/09 Service Plan	
Goals	Objectives	Goals	Objectives
4. Provide effective and efficient planning and support for ministry programs	4.1 Clear vision, leadership, direction and support for all ministry programs	4. Sustainable use of British Columbia's environmental resources	4.1 Sustainable use and continued benefits of water and air
	4.2 Efficient program management, fiscal responsibility and client service		4.2 Optimized public, outdoor and commercial opportunities from British Columbia's parks, fish and wildlife
			4.3 Sustainable and collaborative management and use of marine and ocean resources
		5. A high performance organization	5.1 A client-focused organization
			5.2 A healthy working environment that motivates and supports staff, promotes innovation and attracts and retains high performance employees
			5.3 A coordinated approach to legislation, policy, resource allocation and compliance
			5.4 An integrated approach to ministry planning, performance management and evaluation
			5.5 Accurate, timely information

Table 2, which follows, presents the changes to the ministry's performance measures by goal. The performance measures from the September 2005/06–2007/08 Service Plan Update appear in the left-hand column; those from the February 2006/07–2008/09 Service Plan appear in the right-hand column. The ministry's restructuring afforded an opportunity to sharpen its focus on key priorities and the government's Great Goals. As a result, three outcomes were possible as the ministry reassessed each performance measure: the performance measure remained unchanged; the measure was revised; or the measure was discontinued. Discontinued performance measures are reported on in Appendix E.

Table 2. Changes to Ministry of Environment Performance Measures in 2005/06

Goals and Performance Measures September 2005/06 – 2007/08 Service Plan Update		Goals and Performance Measures February 2006/07 – 2008/09 Service Plan	
Goals	Performance Measures	Goals	Performance Measures
1. Protect the environment and human health and safety by ensuring clean and safe water, land and air	Contaminated sites backlog reduction (X)	1. Clean and safe water, land and air	Water quality trends in water bodies monitored under a federal/provincial agreement
	Average processing time for issuing permits (X)		Percentage of monitored communities achieving the Canada-wide standard (CWS) quality objective for particulate matter (PM _{2.5}) and low level ozone
	Turnaround time for pesticide certification (X)		Per capita greenhouse gas (GHG) emissions relative to other provinces
	Percentage of communities achieving the Canada-wide standard (CWS) for particulate matter (PM _{2.5}) and low level ozone		
	Per capita greenhouse gas (GHG) emissions relative to other provinces		
	Water quality trends in water bodies monitored under a federal/provincial agreement		
	Products with industry-led product stewardship		
	Response to environmental emergencies (X)		
2. Maintain and restore the ecological diversity of fish and wildlife species and their habitats	Designations established under the <i>Forest and Range Practices Act</i>	2. Healthy and diverse native species and ecosystems	Number of completed designations under the <i>Forest and Range Practices Act</i>
	Number of Collaborative Management Agreements and Official Wildlife Processes with First Nations		
3. Provide and enhance park, fish and wildlife services and opportunities for British Columbians and others	Visitor satisfaction with park and campground facilities and services	3. British Columbians understand that they share responsibility for the environment	Municipal solid waste disposal (kilograms/capita)
	Client satisfaction with fish and wildlife opportunities		Number of Collaborative Management Agreements and Regional Fish and Wildlife Advisory Processes with First Nations
	Number of hunting and angling licences sold		Number of product categories with industry-led product stewardship programs
	Number of recorded visits to B.C. parks		

Goals and Performance Measures September 2005/06 – 2007/08 Service Plan Update		Goals and Performance Measures February 2006/07 – 2008/09 Service Plan	
Goals	Performance Measures	Goals	Performance Measures
4. Provide effective and efficient planning and support for ministry programs	Regulatory reform targets (X)	4. Sustainable use of British Columbia's environmental resources	Number of water or watershed management plans completed and implemented
	Percentage of staff with an Employee Performance and Development Plan (EPDP) (X)		Number of recorded park visits and visitor satisfaction rate
			Number of basic hunting and angling licences sold
			Number of marine-based commercial and recreational fisheries managed through a collaborative decision-making process
Note — 'X' indicates measure has been discontinued. Explanations and rationales for changes in the performance measures can be found in Appendix E		5. A high performance organization	Changes in satisfaction of client groups

Performance Plan Summary Table

Table 3. Synopsis of Ministry of Environment Performance Measure Results

Five Great Goals	Ministry Mission Lead, inform, involve and support British Columbians to achieve the best environmental stewardship and sustainability.			
	Ministry Goals	Ministry Objectives	Performance Measures	Results
Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none. Lead the way in North America in healthy living and physical fitness. Create more jobs per capita than anywhere else in Canada.	1. Clean and safe water, land and air	Enhanced protection and stewardship of our water resources	1.1. Water quality trends in water bodies monitored under a federal/provincial agreement	✓
		Reduced contamination from toxins and wastes		
		Healthy air quality	1.2. Percentage of monitored communities achieving the Canada-wide standard (CWS) quality objective for particulate matter (PM _{2.5}) and low level ozone	2010 target
		Effective responses to climate change	1.3 Per capita greenhouse gas (GHG) emissions relative to other provinces	✓
		Effective management of environmental risks		
	2. Healthy and diverse native species and ecosystems	Well-managed and accessible information on species and ecosystems		
		Well-maintained parks and protected lands		
		Protected, maintained and restored native species and ecosystems	2.1 Number of completed designations under the Forest and Range Practices Act (WHAs and UWRs)	✓✓ (WHA) ✗ (UWR)
	3. British Columbians understand that they share responsibility for the environment		3.1 Municipal solid waste disposal (kilograms/capita)	New performance measure
		British Columbians understand the benefits of healthy living and the effect of their actions on the environment		
		Shared stewardship	3.2 Number of Collaborative Management Agreements and Regional Fish and Wildlife Advisory Processes with First Nations	✓
		Industry and client groups are knowledgeable and implement best environmental management practices	3.3 Number of product categories with industry-led product stewardship programs	□

Five Great Goals	Ministry Mission Lead, inform, involve and support British Columbians to achieve the best environmental stewardship and sustainability.			
	Ministry Goals	Ministry Objectives	Performance Measures	Results
Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none. Lead the way in North America in healthy living and physical fitness. Create more jobs per capita than anywhere else in Canada.	4. Sustainable use of British Columbia's environmental resources	• Sustainable use and continued benefits of water and air • Optimized public, outdoor and commercial opportunities from British Columbia's parks, fish and wildlife • Sustainable and collaborative management and use of marine and ocean resources	4.1 Number of water or watershed management plans completed and implemented 4.2 Number of recorded park visits and visitor satisfaction rate 4.3 Number of basic hunting and angling licences sold 4.4 Number of marine-based commercial and recreational fisheries managed through a collaborative decision-making process	- New performance measure 2010 target (park visits) ✓ (satisfaction rate) 2014/15 year target - New performance measure
	5. A high performance organization	• A client-focused organization • A healthy working environment that motivates and supports staff, promotes innovation and attracts and retains high performance employees • A coordinated approach to legislation, policy, resource allocation and compliance • An integrated approach to ministry planning, performance management and evaluation • Accurate, timely information	5.1 Changes in satisfaction of client groups	New performance measure

✓✓ Exceeded target. ✓ Achieved target. △ Target mostly achieved. □ On track. ✗ Missed target. N/A — Not Applicable.

New performance measures will be reported on in the 06/07 Annual Service Plan Report.

Goals, Objectives, Strategies and Performance Measures

The Annual Service Plan Report affords the ministry an opportunity to publicly communicate its achievements, comparing actual results against planned results from the previous year. It is also an opportunity to demonstrate the ministry's commitment to *objectivity and accountability* — two of its key values — and to effective performance management.

Successful and meaningful performance management provides the impetus to achieve, underpins ministry decision-making and fosters a culture of continuous improvement. The ministry strives to select performance measures that will “raise the bar” and continue to move the province toward its goal of leading the world in sustainable environmental management.

The following sections provide an overview of each ministry goal, and present the supporting objectives, strategies and performance measures. Each performance measure includes a rationale of why that particular measure was chosen, confirms key achievements, compares actual results to planned results (reporting on variations), addresses issues and risks associated with the measure and identifies the future direction or plans for the measure. Together these performance indicators provide a picture of the ministry's continuous efforts to fulfill its mandate and achieve its vision.

New performance measures established in the February 2006/07 – 2008/09 Service Plan will be reported on in next year's Annual Service Plan Report.

Appendix F provides supplemental information on the types of performance measures the ministry has developed and why (e.g., outcome vs. output), as well as additional information on the performance measures themselves.

Goal 1

Clean and safe water, land and air

Healthy communities and a healthy environment depend on clean and safe water, land and air. This goal reflects the ministry's commitment to enhanced protection of our water resources, reduced contamination of land and air, and effective responses to climate change and environmental emergencies. Achievement of this goal is key to a healthy and sustainable environment for British Columbia, and supports the government's broader goal to have the best air and water quality in North America.

Core business areas: Water Stewardship, Environmental Protection and Compliance.

Objective 1

Enhanced protection and stewardship of our water resources

A safe and sustainable supply of high quality water is vital to our communities, economy and environment. Both protection and stewardship of our water resources are of utmost importance to the ministry. Achievement of this objective through effective legislation, innovative approaches to water governance and coordinated watershed-based planning contributes directly to the goal and is critical to the health of British Columbians and the environment.

Goal 1 is key to a healthy and sustainable environment for British Columbia, and supports the government's broader goal to have the best air and water quality in North America. The objectives and performance measures selected for this goal reflect areas of critical importance to the health of our communities and our air and water resources.

Strategy

A key strategy for this objective includes:

- approving and implementing the B.C. Water Strategy. Under this strategy, actions include:
 - appointing a Chief Water Officer and defining accountabilities for ensuring exemplary water stewardship
 - integrating cross ministry initiatives to promote and enhance water stewardship
 - developing and implementing proactive planning and adaptation strategies to address emerging issues and cumulative effects (e.g., climate change, population growth)
 - integrating water stewardship and long-term sustainability into local government planning and development programs
 - continuing to ensure safe and secure drinking water sources through the ministry's source water protection program
 - ensuring well-managed and accessible water resources information to support science-based decision-making

Performance Measure

Water quality trends in water bodies monitored under a federal/provincial agreement

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Trends in environmentally significant variables indicating the health of 30 water bodies monitored under a federal/provincial agreement	Maintain or improve water quality trends for water bodies monitored under the federal/provincial agreement	96% of water bodies monitored under the federal/provincial agreement had maintained or improved water quality trends	—	Yes
Benchmark/Explanatory Information:	In 2004/05, 96% of the monitoring stations in the 30 water bodies have stable or improving water quality trends. In 2003/04 and 2002/03, 90% of the monitoring stations in the 30 water bodies had stable or improving water quality trends. (Source: Ministry of Environment.) In addition to the 30 water bodies used to report water quality trends, the ministry uses water quality data from approximately 150 other community-based stations on other water bodies. By comparison, Ontario's water quality monitoring network has 390 monitoring stations operated in partnership with 30 conservation authorities. In 2000, Ontario had approximately 240 locations and 19 conservation authority partners. Ontario's water quality monitoring network has been significantly improved as part of the government's commitment to having the best science to support protection decisions.			

Rationale for the Performance Measure

British Columbia has 25% of the flowing freshwater in Canada. Drinking water, water to support aquatic life, wildlife, recreation, and industry all rely on a high water quality. This is why ongoing monitoring, protection and management of these water sources are so important. This measure monitors trends in surface water quality based on the presence of environmentally significant variables, such as metals, nutrients, nitrate, pH, temperature, dissolved gases and flow. The results for this measure provide a good indication of the cumulative effects of stewardship and the programs and efforts to protect the province's water resources. This information helps inform authorizations for water use and helps to establish further water monitoring requirements.

While there are approximately 150 additional water monitoring stations in the province, an agreement has been signed with the federal government under a Canada – B.C. Water Quality Monitoring Agreement to analyze trends in 30 water bodies. The purpose of the agreement is to provide for the coordination and integration of Canada and B.C. surface water quality



monitoring activities to develop joint, cost-shared, comprehensive assessments of water quality. Water bodies included in the water quality trend analysis are identified in a three-year plan agreed to by Environment Canada and the ministry. To determine which water bodies are monitored under the agreement, the ministry bases its decisions on provincial coverage, water use, alternative monitoring agencies, such as regional districts, and events or issues near water bodies that may have negative consequences to the water quality of those water bodies.

Achievements and Key Issues

The 2005/06 target was to maintain or improve water quality trends in 96% of the 30 water bodies monitored under the federal/provincial agreement. This target was met.

Water quality trends can be classed as decreasing, stable or not being at environmentally significant levels (i.e., higher than the B.C. Water Quality Guidelines, which provide the benchmarks for the assessment of water quality). All monitored water bodies maintained the quality they had in 2004. Currently, one monitored water body is experiencing an environmentally significant trend. Elk River contains levels of selenium higher than the selenium water quality guideline. This is due to expansion of nearby coal mining activities, which have selenium as a by-product. The guideline is being reviewed to ensure that it is equally applicable to both river and lake environments.

Gathering water quality data to find trends is a multi-step process. For each water quality monitoring station, data are collected every two weeks, or in some cases monthly, by trained samplers using established protocols. Once the samples have been collected, they are sent for analysis to laboratories that have been accredited by the Canadian Association of Environmental Laboratories (CAEL). Because the government does not expect to see changes in the data on a yearly basis, water quality interpreters within the federal and provincial government look at data from approximately six stations per year. Once data have been collected over a period of time, they can start looking for trends that show change in the water quality.

The accuracy of water quality data relies on accurate water sampling. Local residents living near the water bodies are well-trained by provincial or federal staff for sampling and professional safety. The water samplers are audited for technique and safety a minimum of once per year and twice if possible. Written reports on training are maintained. However, errors can still occur. Similarly, the data analysis relies upon the accuracy of the technology and interpretation of the data. These factors all represent a risk to the final analysis of water quality. Although risks cannot altogether be eliminated, updated training and technology mitigates some of the risk involved in determining water quality and approving water quality uses.

Future Direction

As discussed above, the results reported for this measure are for those water bodies monitored under the federal/provincial agreement. The ministry is in the process of expanding its monitoring program of water bodies for water quality trends. Planning is underway to increase the number of monitoring stations from 30 to 35. To ensure that resources are allocated where they are needed most, the ministry has suspended the operation of monitoring stations for stable water bodies. The ministry is planning to revisit these sites after five years to ensure that past results are still valid. However, this timing may vary, depending on interest in the particular watershed and activities that may occur near the water bodies.

Objective 2

Reduced contamination from toxins and wastes

The disposal of toxins and wastes generated each year results in significant costs. These include financial costs associated with shutting down landfills and establishing new ones, dealing with the contamination of land, water and air, and addressing the impact on ecosystems and the health of citizens. By reducing contamination from toxins and wastes efficiently and effectively, the ministry will minimize impacts to water, land, air, human health and safety, and the economy.

Strategies

Key strategies for this objective include:

- completing the 2005 Municipal Solid Waste (MSW) tracking report for baseline data
- creating a strategy to further reduce MSW such as diversion of demolition, land clearing and construction waste
- adding new products to the B.C. Recycling Regulation
- leading the development of a Brownfield⁹ strategy for British Columbia
- updating the Hazardous Waste Regulation

Objective 3

Healthy air quality

Protecting the quality of the air remains a key focus of the ministry. Healthy air quality means healthy people and a healthy environment. Taking action to reduce air pollution will help improve the health of British Columbians, preserve our environment and enhance our economic competitiveness.

⁹ Brownfields are idle or underused properties where past activities have caused environmental contamination but which, nevertheless, exhibit good potential for other uses and which provide economically viable business opportunities.

Strategy

A key strategy for this objective includes:

- approving and implementing the Clean Air Strategy. The actions under this strategy include initiatives such as:
 - improving and increasing efforts to replace uncertified woodstoves with more efficient and approved clean-burning appliances
 - identifying and improving multi-agency collaborative initiatives that bring relevant regulatory authorities, program initiatives and human resources from all levels and parts of government together to address air quality issues
 - developing an Air Quality Health Index in collaboration with federal partners

Performance Measure

Air quality

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Percentage of monitored communities achieving the Canada-wide standard (CWS) quality objective for PM _{2.5} and low level ozone	By 2010, 100% of communities monitored achieve, or continue to achieve, the CWS for PM _{2.5} and low level ozone	PM _{2.5} : 88% of communities (21 out of 24) achieved the CWS (based on 2003–2005 data) Low level ozone: 95% of communities (22 out of 23) achieved the CWS (based on 2003–2005 data)	2010 target	2010 target
Benchmark/Explanatory Information:	Comparable data for previous years are: PM _{2.5} : 88% in 2004 (14 out of 16 communities), 87% in 2003 (13 out of 15 communities), 91% in 2002 (10 out of 11 communities), 91% in 2001 (10 out of 11 communities), and 100% in 2000 (7 out of 7 communities). Low level ozone: 96% in 2004 (25 out of 26 communities), 95% in 2003 (21 out of 22 communities) and 100% in 2002 (21 out of 21 communities). ¹			

¹ The number of communities reported for PM_{2.5} and low level ozone has generally increased over time. This is due to an increase in the number of monitored communities having sufficient data to generate the statistics needed to determine the CWS. The PM_{2.5} measure is taken based on the most representative monitoring station, as selected by the regional air quality meteorologist. Similar methodologies have now been applied to the low level ozone performance measure calculation, which have resulted in a small (1%) change in the performance measure results cited for 2002, 2003 and 2004.

Rationale for the Performance Measure

The outdoor air contaminants of most concern in British Columbia, from a human health perspective, are particulate matter (PM) and low level or ground level ozone.

Particles smaller than $2.5\mu\text{m}$ ($\text{PM}_{2.5}$) are believed to pose the greatest health risk. These fine particulates, which are most often generated by combustion processes and chemical reactions that take place in the air, are easily inhaled and penetrate into the lungs, posing a threat to human health.

Although ozone in the stratosphere (the ozone layer) is beneficial and filters out harmful ultraviolet rays, ground level ozone is a pollutant and can be damaging to human health and the environment. Ground level ozone is also a major component of photochemical smog. Ground level ozone is a secondary pollutant, formed through chemical reactions involving nitrogen oxides (NO_x) and volatile organic compounds (VOCs) in the presence of sunlight. Nitrogen oxides and VOCs are primarily emitted during the combustion of fuel, and VOCs from the evaporation of fuels, solvents, paints and dry-cleaning fluids, or from natural sources such as biogenic emissions from vegetation. Ground level ozone also occurs naturally and can come from downward mixing from the stratosphere to the troposphere, the layer of air we live in.

The ministry, in conjunction with regional districts and industry, collects $\text{PM}_{2.5}$ data from approximately 80 air quality monitoring sites from over 45 communities across the province, and ozone data from approximately

30 monitoring sites from over 25 communities. The percentage of monitored communities achieving the Canada-wide standard (CWS) for $\text{PM}_{2.5}$ of $30\mu\text{g}/\text{m}^3$ (24-hour average)¹⁰ and the CWS for ozone of 65 parts per billion (ppb) (8-hour average)¹¹ have been selected as the performance measure. Use of this performance measure is designed to help the ministry determine how effectively it is achieving its air quality improvement targets.

As a greater number of communities meet the CWS, the better the air quality — and the cleaner and healthier the environment, which benefits British Columbians both today and in the future.

The outdoor air contaminants of most concern in British Columbia, from a human health perspective, are particulate matter (PM) and low level or ground level ozone. Use of a performance measure that tracks how many communities achieve a Canada-wide standard for these contaminants helps the ministry determine how effectively it is achieving its objective of healthy air quality under Goal 1.

Achievements and Key Issues

The results in the performance measurement table refer to the percentage of monitored communities that achieve the specified air quality objective. The ministry continues to work toward meeting the target by 2010. Historically, sampling efforts tended to focus on those areas experiencing air quality problems related to particulate matter. More recently, the focus has been on community-based monitoring in populated areas. As such, trend

¹⁰ Achievement is based on the annual 98th percentile value, averaged over three consecutive years.

¹¹ Achievement is based on the annual 4th highest daily maximum, averaged over three consecutive years.

results should be interpreted carefully to determine if trends reflect actual changes to air quality, changes in the monitoring network or other factors. Based on the last three years of data (2003–2005), the communities of Prince George, Golden and Bear Lake exceeded the CWS for $PM_{2.5}$, and Hope exceeded the CWS for ozone. Golden exceeded the CWS standard largely due to the wildfires in the summer of 2003, which had a major impact on air quality in many interior communities, including Kelowna and Kamloops.

In 2005/06, the ministry continued its efforts to support initiatives related to protecting or improving air quality in the province, including:

- providing funding and regional technical support for airshed activities in Port Alberni, the Sea-to-Sky airshed, Merritt, Kelowna, Golden, Quesnel, Williams Lake, Prince George and the Bulkley Valley-Lakes District
- continuing or initiating a number of technical studies to better inform air management decisions at the provincial or airshed level. These studies looked at:
 - chemical composition of airborne particles in Golden, Kelowna and Prince George as a first step to determining their sources
 - background levels of $PM_{2.5}$ and ozone in the province
 - meteorology's role in degraded air quality
 - best management practices for land use near major roadways
- seeking stakeholder input on the development of new provincial ambient air quality objectives for $PM_{2.5}$ and on the development of a provincial framework for airshed planning
- seeking further stakeholder input to finalize a guidance document to assist users of dispersion models
- conducting the first Canadian pilot study of the new health-based Air Quality Health Index in the following communities: Thompson and Okanagan Valleys, Vernon, Kelowna and Osoyoos and Kamloops. Partner agencies included the Ministry of Environment, Interior Health Authority, Health Canada and Environment Canada. Feedback is being used to run a province-wide pilot in 2006, which will be conducted in partnership with the Greater Vancouver Regional District.
- piloting a study examining the barriers, benefits and potential solutions around more efficient woodstove change-out programs in the Skeena Highway 16 corridor

The ministry also co-funded a number of events to share information on the effects of air pollution and actions to improve air quality, including the Fraser Basin Council's Clean Air Forum and Idle-Free BC Workshop, the BC Lung Association Air Quality and Health Workshop, and the Cowichan Green Community's Rural Air Quality Forum.

Future Direction

The ministry is working closely with other jurisdictions through the Canadian Council of Ministers of the Environment (CCME) toward improved implementation of the CWS for both of these parameters. Cooperation with other jurisdictions is essential because air emissions and air quality are trans-boundary issues. The ministry continues to support local airshed planning efforts to improve local air quality, through technical expertise,

information-sharing, partnership-building and resources. Such efforts support the government's priority for the "best air quality." Between major metropolitan areas of similar size and population, Vancouver is ranked second in Canada with respect to its air quality. The government's 2015/16 target for PM_{2.5} concentrations in major metropolitan areas is to achieve first place.

Objective 4

Effective responses to climate change

Climate change is an issue that has both local and global significance. All jurisdictions, including British Columbia, have a role to play in reducing these emissions. B.C. is also seeing some amount of warming and climate-related impacts. The ministry is the lead agency for the provincial government's response to climate change, which includes the reduction of provincial greenhouse emissions ("mitigation"), as well as preparation for climate change and related extreme weather ("adaptation").

Strategies

Key strategies for this objective include:

- leading B.C.'s response to climate change — coordinating and reporting on government implementation of *Weather, Climate and the Future: B.C.'s Plan*
- implementing climate change mitigation actions that are outlined in *Weather, Climate and the Future: B.C.'s Plan*
- implementing climate change adaptation actions that are outlined in *Weather, Climate and the Future: B.C.'s Plan*

Performance Measure

Greenhouse gas emissions

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per capita greenhouse gas (GHG) emissions relative to other provinces	Maintain or improve on ranking	3rd lowest emissions per capita in Canada (based on 2003 data)	—	Yes
Benchmark/Explanatory Information:	Data for 2004 will be available later in 2006. For 2003, 2002 and 2001, B.C. had the 3rd lowest per capita greenhouse gas emissions behind Prince Edward Island and Quebec. (Source: Environment Canada. <i>Canada's Greenhouse Gas Inventory 1990–2003</i>). B.C.'s two largest GHG contributors are transportation (38.2%) ¹ and stationary sources (31.7%). ²			

¹ Transportation sources include those from domestic aviation, road transportation (various types and variously fueled vehicles), railways, domestic marine traffic and off road travel. The 38.2% figure does not include pipelines.

² Stationary sources are defined as those originating from electricity and heat generation, fossil fuel industries, mining, manufacturing industries, construction, commercial and institutional, residential, and stationary agriculture and forestry sources.

Rationale for the Performance Measure

Elevated levels of greenhouse gas (GHG) in the atmosphere are causing changes to global climates and climate-sensitive physical and biological systems. Reducing emissions on a worldwide scale is expected to slow the rate of climate change and thus the timing of the impacts.

The ministry continues to use this performance measure of "Per capita greenhouse gas (GHG) emissions relative to other provinces." It is more appropriate than a measure of total GHG emissions in British Columbia because a per capita measure accounts for the largely unknown effects of future GHG commitments and clean technology development that are likely to apply to all provinces. The target of maintaining or improving on the province's current ranking of third lowest emissions per capita in Canada reflects British Columbia's commitment to keeping pace with, or exceeding, the national effort to reduce greenhouse gas emissions. However, to combat the negative effects of GHG emissions and to ensure B.C. has the best air quality, it is necessary to improve on the current ranking. Less GHG emissions mean better environmental quality and ultimately a higher quality of life for British Columbians.

Achievements and Key Issues

The target was met. Figure 2 shows that British Columbia continues to maintain its ranking of third lowest GHG emissions per capita compared to other provinces (based on 2003 data).¹²

In May 2006, the ministry received data from Environment Canada that reflects greenhouse gas emissions data for the period 1990 to 2004. These data indicate a new ranking of second place for B.C., relative to the greenhouse gas emissions of other provinces. However, this report included a number of significant changes to the methodology under which GHG inventories are prepared. Consequently, GHG emissions for each province for the period from 1990 to 2004 have been reassessed. This may have implications for B.C.'s ranking. Although these new data are now available to the ministry for analysis, the process of drawing conclusions is not yet complete. This information will be included in the next service plan.

British Columbia has maintained its ranking of third lowest greenhouse gas (GHG) emissions compared to other provinces, an achievement that furthers the government's goals for exemplary air quality and healthy living. However, addressing climate change requires the continued efforts of government, industry and citizens.

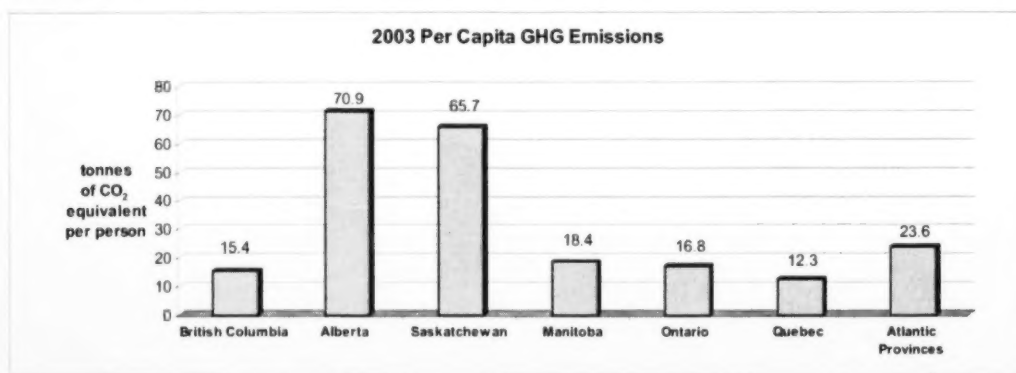
The ministry continues to work hard to achieve the objectives set out in the government's *Weather, Climate and the Future: B.C.'s Plan*.¹³ This plan responds to and protects the

¹² Environment Canada. *Monitoring, Accounting and Reporting on Greenhouse Gases*. Available at http://www.ec.gc.ca/pdb/ghg/ghg_home_e.cfm.

¹³ B.C. Ministry of Water, Land and Air Protection. *Weather, Climate and the Future: B.C.'s Plan*. December 2004. Available at <http://www.env.gov.bc.ca/air/climate>.

interests of British Columbia. It builds upon the significant investments already made in clean energy, infrastructure and forestry and is accompanied by actions already underway to adapt to challenges presented by the mountain pine beetle, forest fires and drought. The list of 40 actions contained in the plan is supported by specific emissions and targets for agriculture, buildings, government operations and other sectors. While government plays an important role in the development of policy options, industry sectors have a more direct role in making business decisions that can help mitigate climate change. Addressing climate change is a joint effort that requires the involvement of all stakeholders.

Figure 2. *Per capita greenhouse gas emissions by province*



Future Direction

Ongoing efforts coupled with new initiatives by several provincial agencies, and by numerous other provincial stakeholders, will continue to mitigate greenhouse gas emissions and manage the risks associated with climate change impacts. For example, the Province of British Columbia has invested \$4.4 million in clean energy and fuel cell research in the past two years to promote the development of clean energy.

Other Canadian jurisdictions provide good points of comparison against which B.C. can be compared. However, GHG emissions know no boundaries. British Columbia's performance against other jurisdictions of geographic proximity such as Washington State and Oregon can provide insight into how well B.C. is doing in regard to its GHG emissions. For example, B.C. currently produces more GHG emissions per capita than Oregon, but less than Washington State. Because the government's strategic plan states a 2015/16 target that calls for an improvement in B.C.'s ranking, it may be appropriate for B.C. to be evaluated against better performing jurisdictions (i.e., jurisdictions with lower GHG emissions per capita), such as Quebec and the state of Oregon.

Objective 5

Effective management of environmental risks

Activities and events that occur in the environment, such as oil spills and flooding, can present risks to public health and safety, property and the environment itself. Although not all environmental risks are avoidable, effective management means that impacts from risks can be minimized. The ministry anticipates, responds to and manages the consequences of risks to the environment.

Strategies

Key strategies for this objective include:

- responding effectively to high risk environmental emergencies such as oil spills, hazardous material spills and gas leaks
- developing a strategy to enhance partnerships for environmental stewardship in spill responses
- reducing the risk to public safety through effective flood hazard management (working with local governments), drought management and dam safety programs

Goal 2

Healthy and diverse native species and ecosystems

Healthy and diverse native species and ecosystems provide significant environmental, social and economic benefits to British Columbia and its people. To achieve this goal, the ministry develops, manages, regulates and enforces environmental programs and legislation that contribute significantly to ensuring the health and diversity of native species and ecosystems.

Core business areas: Environmental Stewardship, Oceans and Marine Fisheries and Compliance.

Objective 1

Well-managed and accessible information on species and ecosystems

The collection, storage, management and distribution of scientific information on native species and ecosystems provides for effective research, contributes to the understanding of the status of native species and ecosystems and is critical to making informed decisions.

Strategies

Key strategies for this objective include:

- compiling, consolidating, analyzing and distributing information on species and ecosystems
- providing the conservation status of species and ecosystems
- providing guidelines and standards for the protection and conservation of species and ecosystems, including monitoring and reporting on achievements

Objective 2

Well-maintained parks and protected lands

Parks and protected lands have great conservation value and provide a place for native species to exist in their natural environment. The designation of parks and protected lands means these areas will be preserved for future generations and demonstrates British Columbia's commitment to the conservation of native species and ecosystems.

Strategies

Key strategies for this objective include:

- continuing to identify, design, designate and secure parks and protected lands
- undertaking parks and protected lands planning and management to ensure long-term conservation
- maintaining and promoting partnerships for securing and managing parks and protected lands

The objectives and performance measure under Goal 2 are aimed at protecting native species and ecosystems while providing opportunities for people to enjoy B.C.'s natural places. Ministry progress in this area will determine how well it fulfills the government's goals of managing the environment sustainably, ensuring healthy living and generating employment for British Columbians. However, the ministry is not solely responsible for achieving these goals. Communities, industries and individuals must play a collaborative role.

Objective 3

Protected, maintained and restored native species and ecosystems

British Columbia is home to a rich diversity and abundance of native species and habitats. Programs within the ministry conserve biodiversity, maintain and enhance native ecosystems and achieve a balance between the needs of wildlife and the needs of the people. The ministry encourages others to accept a greater role in environmental stewardship and facilitates community initiatives to protect and restore local environments.

Strategies

Key strategies for this objective include:

- improving cumulative impact assessment processes¹⁴
- continuing to work with and expand partnerships, including those with First Nations, to identify, protect and restore species and ecosystems
- developing a responsive resource assessment and management strategy that builds capacity to manage fish and wildlife populations and ecosystems
- developing guidelines and standards for protection and conservation of species and ecosystems

¹⁴ An approach where all activities occurring on the land base are studied and the overall impact is determined.

- developing and implementing an enhanced legal and policy framework and regional-based planning programs
- providing scientific advice to decision-makers and implementers of resource use policies and land use planning
- providing leadership in species at risk ranking and designation, and preparing and implementing recovery plans
- developing and implementing a provincial policy that balances water flow requirements for species, ecosystems, communities and industrial needs
- leading, in collaboration with the federal government, the development of a marine protected area system for the Pacific coast

Performance Measure

Number of completed designations under the Forest and Range Practices Act

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Number of completed designations by the Ministry of Environment under the <i>Forest and Range Practices Act</i> , including Wildlife Habitat Areas, Ungulate Winter Ranges, and Fisheries Sensitive Watersheds	An additional 30 WHA and 15 UWR designations approved	94 approved WHAs (10,125 hectares) 7 approved UWRs* (373,890 hectares)	64 more WHAs approved than targeted 8 less UWRs approved than targeted	WHA target exceeded UWR target not met
Benchmark/Explanatory Information:	As of March 31/05, there were 320 Wildlife Habitat Area (WHA) designations approved (covering 658,935 hectares) and 28 Ungulate Winter Range (UWR) * designations approved (covering 2,284,917 hectares). The baseline for Fisheries Sensitive Watersheds (FSW) will be established at year-end 2005/06. As of March 31, 2004, there were 160 WHA designations approved (covering 49,120 hectares) and 15 UWR designations approved (covering 913,462 hectares). As of March 31, 2003, there were 129 WHA designations approved (covering 44,233 hectares) and no UWR designations approved. (Source: Ministry of Environment.) * Specifies the number of UWR packages; each package may have as few as 1 to more than 1,000 winter ranges. Thus, when monitoring progress in this area, it is important also to consider the amount of area designated.			

Rationale for the Performance Measure

Designations under the *Forest and Range Practices Act* (FRPA) provide special management for species impacted by forest and range activities on Crown land. These designations provide legislated protection for habitats and contribute significantly to the conservation of native species.

Because the FRPA is a critical piece of legislation for protecting and restoring species and their habitats, it is important to measure ministry progress in establishing environmental standards under the FRPA. The ministry is assessing its progress by monitoring the number of legal designations for Wildlife Habitat Areas (WHA), Ungulate Winter Ranges (UWR) and, starting in 2006/07, Fisheries Sensitive Watersheds (FSW).¹⁵ FSW designations will provide valuable protection to fish in some of B.C.'s watersheds that are most sensitive to forest and range activities.

Achievements and Key Issues

In 2005/06, an additional 94 WHAs were designated for a total of 414 (covering 668,424 hectares), exceeding the target of an additional 30 designations. As well, 7 UWRs were designated for a total of 35 UWRs (covering 2,658,725 hectares). The target for UWRs was not achieved largely because of delays in consultation. A number of the plans scheduled for 2005/06 will be considered for approval early in the 2006/07 fiscal year, which should put the ministry back on track to meet its target for this performance measure.



A risk to achieving the ministry's target is the level of funding available for these designations. Targets are based on expected levels of funding from the Forest Investment Account and other funding sources, and provide only a count of the number of designations. The size of the designations will vary depending on the species involved.

In addition, 17 FSWs were designated under the FRPA. These values were not included in the 2005/06 targets; however, they will provide a benchmark for 2006/07.

Future Direction

The ministry will continue working to establish designations and objectives in all areas for which the ministry has responsibility under the FRPA. The ministry will also work to develop a long-term outcome measure and acquire trend data. Once designations are established, the ministry's focus will be on monitoring and reporting.

¹⁵ For more information, see the B.C. Ministry of Environment, Environment Stewardship Division, Fisheries Sensitive Watersheds at <http://www.env.gov.bc.ca/wld/fsw/>.

Goal 3

British Columbians understand that they share responsibility for the environment

Environmental sustainability can neither be created by governments nor imposed by public policy. It depends on the collective knowledge, commitment and actions of individuals, organizations, communities and all levels of government as a whole. Achievement of this goal requires strong and expanded partnerships with industry and stakeholders, and an environmentally conscious and knowledgeable public. Having a society in which individuals act as stewards by considering the environmental impacts of their individual and collective actions will be a great step toward sustainability.

Core business areas: Environmental Stewardship, Water Stewardship, Environmental Protection, Oceans and Marine Fisheries, Compliance, Executive and Support Services.

Performance Measure

Municipal solid waste disposal

Performance Measure	2006/07 Target	2006/07 Actual	Variance	Target Met?
Municipal solid waste (MSW) disposal (kilograms/capita)	Baseline data to be collected for the 2005 MSW tracking report	N/A — New performance measure — to be reported on in the 2006/07 Annual Service Plan Report	N/A	N/A

Rationale for the Performance Measure

This is a new performance measure as of February 2006. Municipal solid waste (MSW) disposal is a goal level performance measure that demonstrates the commitment by businesses and the public to reduce their impacts on the environment. In 2006/07, activities will include collecting data for the 2005/06 baseline, and scoping and analysis to determine achievable targets for inclusion in future service plans.

Goal 3 galvanizes the ministry's vision for a clean, healthy and naturally diverse environment. A new goal level performance measure underscores the commitment by government, industry and the public to take greater responsibility for protecting the environment. Other objectives and performance measures for this goal promote shared stewardship, strong partnerships with First Nations and good environmental management practices.

Objective 1

British Columbians understand the benefits of healthy living and the effect of their actions on the environment

In order for a society to become environmentally conscious, its citizens must understand the relationship between their actions and how those actions directly impact their health, the quality of their lives, and the lives of other people and species with which they share ecosystems. As British Columbians continue to make the connection between actions and impacts, they are much more likely to take on the role of stewards and demand a much higher environmental standard for their own actions and those of others.

Strategy

A key strategy for this objective includes:

- exploring and developing a comprehensive and integrated ministry stewardship outreach strategy

Objective 2

Shared stewardship

Public and stakeholder expectations of meaningful involvement in decision-making and in sharing responsibility for environmental outcomes continue to be a force for change in the way the ministry does its business. The ministry recognizes that a successful shared stewardship model needs to integrate cooperative and collaborative partnerships across all sectors and geographic jurisdictions. Necessary tools include sharing information and knowledge, consultation and partnering opportunities.

Strategies

Key strategies for this objective include:

- effectively communicating and sharing knowledge through consultative processes that engage stakeholders
- enhancing and promoting shared stewardship through partnership and volunteer programs, environmental awards and the creation of a stewardship network
- designing and developing legislation, regulations, policies and guidelines that are publicly accessible, consultation driven and client focused
- promoting collaborative management and decision-making processes for resource use
- pursuing opportunities for the Conservation Officer Service to provide compliance and enforcement activities through partnerships with other agencies

Performance Measure

Number of partnerships with First Nations

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Number of Collaborative Management Agreements and Regional Fish and Wildlife Advisory Processes with First Nations	2 new Collaborative Management Agreements or Official Wildlife Processes per year	2 agreements negotiated and signed	—	Yes
Benchmark/Explanatory Information:	There were 20 Collaborative Management Agreements in place with First Nations as of year end 2005/06. As of 2004/05, there were 15 Parks Collaborative Management Agreements and 5 Regional Fish and Wildlife Advisory Processes. In 2003/04, there were 14 Parks Collaborative Management Agreements and 2 Official Wildlife Processes with First Nations. In 2002/03, there were 12 Parks Collaborative Management Agreements and 2 Official Wildlife Processes with First Nations. (Source: Ministry of Environment.) Currently, 115 of 198 bands (representing 58% of British Columbia's First Nations bands) are engaged in Parks Collaborative Management Agreements and/or Regional Fish and Wildlife Advisory Processes with the ministry.			

Rationale for the Performance Measure

Partnerships are an important mechanism for a shared-stewardship approach to protecting the environment and fish and wildlife. The ministry has developed this measure to monitor its progress in developing partnerships with First Nations that help build government-to-government relationships between First Nations and the ministry.

Parks Collaborative Management Agreements with First Nations define how the province and First Nations will work together to manage B.C.'s parks and protected areas. Parks Collaborative Management Agreements can be developed at the request of First Nations who are interested in taking a more active role in the management of B.C. parks and protected areas. These agreements may also be developed as part of treaty negotiations or other First Nation-related provincial initiatives, or as part of the creation of new protected areas under land use plans.

Regional Fish and Wildlife Advisory Processes typically include the participation of a number of First Nations who work with the ministry on a government-to-government basis to address issues of mutual interest relating to the collaborative management of fish and wildlife. This measure was slightly changed between the September 2005/06–2007/08 Service Plan Update and the February 2006/07–2008/09 Service Plan. "Official Wildlife Processes" are now referred to as "Regional Fish and Wildlife Advisory Processes."

Achievements and Key Issues

The target has been met. Two Fish and Wildlife Advisory Process negotiations were formally signed off and one Parks Collaborative Management Agreement has been finalized and is being signed in May 2006. This additional agreement will bring the total number of Collaborative Management Agreements in place to 21, with another 25 Collaborative Management Agreements in draft stage.

The ministry has initiated negotiations with several First Nations on new Collaborative Management Agreements, and has continued negotiations on the development of numerous additional potential agreements. It is

important to note that in some of these cases the negotiations surrounding Collaborative

Management Agreements are time consuming and require a great deal of communication on the part of both the ministry and First Nations on a number of sensitive issues. As a result, the sign-off on some agreements takes much longer than originally anticipated. In addition, in some areas of the province, the ministry and First Nations are communicating about fish and wildlife issues in a new way that focuses on areas of mutual interest rather than on individualized positions. In these cases, the actual negotiation process is a vital part of the relationship-building process that is almost as important as a signed agreement itself.

Progress on negotiating Collaborative Management Agreements and Regional Fish Advisory Processes depends on the ministry's ability to respond and adapt to client needs. This key ministry value is enabling the ministry to build new relationships with First Nations and informs its approach to negotiation with these important partners.

Future Direction

The ministry has reviewed the current process for initiating and establishing Fish and Wildlife Advisory Processes and is in the process of formalizing recommendations for the development and implementation of new agreements. The ministry is also reviewing its signed Parks Collaborative Management Agreements to determine gaps and address emerging issues of concern for First Nations and regions.

The ministry may consider establishing new targets for the measure of these advisory processes.

Objective 3

Industry and client groups are knowledgeable and implement best environmental management practices

British Columbia continues to enjoy expanding economic opportunities. More and more, industry, organizations and other ministry client groups understand the benefits of incorporating environmental values and best practices into their decision-making processes and activities. Good environmental management practices not only protect the environment, and greatly reduce costs (e.g., use resources and energy more efficiently, reduce waste and reduce discards in marine fisheries), they also set the foundation for good corporate citizenship.

Strategies

Key strategies for this objective include:

- developing stewardship programs to mitigate environmental impact from product production to disposal
- providing resource information to facilitate shared responsibility and partnerships
- encouraging compliance by reporting those in non-compliance and those exceeding environmental standards

Performance Measure

Industry-led product stewardship

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Number of product categories with industry-led product stewardship programs	1 additional product category	2 additional product categories added to the B.C. Recycling Regulation; stewardship programs under development	—	On track
Benchmark/Explanatory Information:	British Columbia is a recognized leader in industry product stewardship with 9 product categories under the B.C. Recycling Regulation: beverage containers; solvent and flammable liquids; paints; pesticides; gasoline; pharmaceuticals; oil products, filters and containers; electronic products; and tires. Ontario and other provinces operate product stewardship programs although the governance of these programs differs from B.C. Ontario's "Blue Box" program includes the collection of beverage containers. Pesticides are managed under the <i>Pesticide Act</i> and oil, tires and electronic waste are included in the <i>Waste Diversion Act</i> — these products have no approved stewardship programs to date.			

Rationale for the Performance Measure

Under industry product stewardship, manufacturers of products listed under the B.C. Recycling Regulation are responsible for end-of-life product management. Manufacturers submit stewardship plans that outline the collection and management of their products in accordance with the pollution prevention hierarchy.¹⁶ These product management techniques result in reduced contaminants discharged to the environment, conservation of resources and reduced waste. Consumers, although not required to, are expected to return used products to collection stations.

¹⁶ Pollution prevention hierarchy — in descending order of priority: reduce the environmental impact of producing the product by eliminating toxic components and increasing energy and resource efficiency; redesign the product to improve reusability or recyclability; eliminate or reduce the generation of unused portions of a product that is consumable; reuse the product; recycle the product; recover material or energy from the product; otherwise dispose of the waste from the product in compliance with the *Environmental Management Act*.

For these reasons, the ministry is using the number of product categories with industry product stewardship programs as a measure of the above objective. Producers must have approved product stewardship plans that require the following: at least 75% recovery rates or meet alternative product-specific performance requirements; product management in accordance with the pollution prevention hierarchy; and reports on efforts to eliminate or reduce environmental impacts throughout the product life cycle. To meet these requirements, industry must become knowledgeable about the life cycle of its product(s) and use best management practices. Since most, if not all, programs are funded by fees collected at the retail level, consumers will become more aware of the impacts a product, container or residual has on the environment. This is, therefore, a reasonable indicator of success in meeting the objective. Industry must understand the potential impacts a product has on the environment, the most efficient collection systems and environmentally appropriate end-of-life management. Consumers potentially become more knowledgeable about the products they use either through collection and residual management protocols and/or cost to support stewardship programs.

Achievements and Key Issues

In 2005/06, two additional product categories were added to the B.C. Recycling Regulation. The stewardship programs for these categories, electronics and tires, are currently under development in accordance with the regulation. The tire program is scheduled to be implemented in late 2006/07 and the electronics program is scheduled to be implemented in early 2007/08.

Two risks to using product stewardship programs as a measure of success are the level of uncertainty in producers complying with the regulation and consumer awareness of the stewardship programs. The ministry puts the onus on producers to develop and implement stewardship plans and relies on consumers to take used products to collection sites. These risks are somewhat mitigated in two ways: (1) if a stewardship plan is not submitted by producers, the regulation will prescribe stewardship program requirements, and (2) stewardship plans are required to provide consumer information to increase consumer awareness.

Future Direction

The beverage container program will be reviewed in 2006/07. Beverage containers used to be regulated under the Beverage Container Recycling Regulation. This regulation has now been repealed. Beverage containers are now listed under the B.C. Recycling Regulation. Because of this, three beverage container stewardship plans that were previously approved under the now-repealed Beverage Container Recycling Regulation will be reviewed in 2006/07, resulting in the potential approval of the plans under the B.C. Recycling Regulation. Similarly, three stewardship plans previously approved under the Residuals Regulation (which has also been repealed) will be submitted by manufacturers by October 2006 and will require ministry review. The ministry will also work with the appropriate stewardship agencies for electronic products and tires on the development, consultation and approval of stewardship plans. Finally, in 2006/07, the ministry intends to develop a prioritized list of future product categories to add to the B.C. Recycling Regulation.

in consultation with provincial stakeholders and in collaboration with other provinces and the federal government in a task group formed by the Canadian Council of Ministers of the Environment (CCME).

The current performance measure indicates the number of product categories with industry product stewardship programs. The ministry will be reviewing this performance measure and may modify it to include the number of product categories either regulated or with programs implemented. This will reflect the time between adding a new product to the regulation and the date, up to 18 months later, when the stewardship program is actually implemented.

Goal 4

Sustainable use of British Columbia's environmental resources

British Columbia's environment provides benefits to its citizens and visitors in a variety of ways. Sustainable use of British Columbia's environmental resources promotes job creation, and contributes significantly to the quality of life of residents and visitors. Sustainable use means that resources are used in ways that ensure their continued availability today and for generations to come.

Core business areas: Environmental Stewardship, Water Stewardship, Environmental Protection, Oceans and Marine Fisheries and Compliance.

Objective 1

Sustainable use and continued benefits of water and air

British Columbia's water and air resources sustain a full range of economic, community and ecosystem needs. Understanding the important benefits that these resources provide, the ministry ensures wise and prudent management of our water and air resources will continue to provide benefits to British Columbians in the future.

British Columbia's environmental resources require careful management. The objectives and performance measures for Goal 4 reflect the government's goals of sustainable environmental management, healthy living and job creation. Two new performance measures for this goal reflect the ministry's expanded responsibilities in the areas of water stewardship and oceans and marine fisheries, and will track its progress in optimizing water use and access to marine resources.

Strategies

Key strategies for this objective include:

- seeking public consensus on a new water allocation model
- exploring shared governance frameworks to promote increased community and stakeholder involvement at the local level
- modifying and streamlining the *Water Act* and related legislation
- valuing water appropriately by recognizing its full range of benefits
- continuing to promote water conservation and demand-side management measures

- continuing to ensure timely response to water licence applications to support economic development
- promoting and facilitating multi-stakeholder airshed and watershed management plans

Performance Measure

Number of water management plans completed and implemented

Performance Measure	2006/07 Target	2005/06 Actual	Variance	Target Met?
Number of water or watershed management plans completed and implemented	Increase the total number of completed plans to 6 by 2010 2 additional plans completed by 2007/08 and 3 additional plans completed by 2009/10	N/A — New performance measure — to be reported on in the 2006/07 Annual Service Plan Report	N/A	N/A
Benchmark/Explanatory Information:	As of June 2004, one watershed plan (Trepanier Creek Watershed Plan) has been completed.			

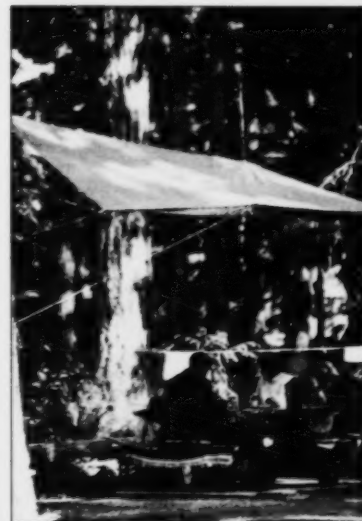
Rationale for the Performance Measure

This is a new performance measure as of February 2006. Water or watershed management plans are undertaken to coordinate development and management of water, land and related resources to optimize the benefits and sustainability of the community, economy and environment. These plans serve as a valuable tool to address conflicts between water users and in-stream flow requirements, risks to water quality and aquatic ecosystems, concerns about land use and other issues. The water management plan performance measure assesses both the number of water management plans designated under the *Water Act* and plans with no statutory basis. The province will seek to promote and facilitate the completion and implementation of water management plans over the coming years as an important part of its goal to sustain British Columbia's water resources.

Objective 2

Optimized public, outdoor and commercial opportunities from British Columbia's parks, fish and wildlife

British Columbia's parks, fish and wildlife provide a variety of unique outdoor opportunities for residents and visitors in the form of recreation, camping, angling, hunting and wildlife viewing. The use of these resources by British Columbians and visitors to the province promotes healthy living and an appreciation of B.C.'s landscape, native species and the environment as a whole. The use of campgrounds and purchase of angling and hunting licences contributes to the maintenance and infrastructure of our natural places and to environmental protection and management activities. Several commercial organizations also use these resources, attracting visitors from around the world. This creates jobs within B.C. and contributes significantly to the province's economy. Effective management and use of these resources will ensure their sustainability and promote economic opportunities.



Strategies

Key strategies for this objective include:

- providing outstanding hunting, angling and wildlife viewing opportunities
- developing and implementing outdoor activities and commercial opportunities that reflect client preferences
- maximizing opportunities for partnerships with First Nations, local communities, non-profit groups and private land owners
- developing and implementing marketing strategies to promote healthy living through park visitation

Performance Measure

Number of recorded park visits and visitor satisfaction rate

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Number of recorded park visits and visitor satisfaction rate	Increase the number of recorded visits to B.C. parks by 20% by 2010 (baseline in 2004/05) Maintain or improve on parks satisfaction survey results based on a 5-year rolling average (80%)	Recorded visits to B.C. parks — 18.0 million Visitor satisfaction rate — 81%	2010 target +1%	2010 target Yes
Benchmark/Explanatory Information:	Recorded park visits: The number of recorded visits to B.C. parks was approximately 18.3 million in 2004/05, 19.0 million in 2003 and approximately 22.6 million in 2002. (Source: Ministry of Environment.) Visitor satisfaction rate: The five-year rolling average for 2004/2005 was approximately 80%, which is based on the Visitor Satisfaction Index rating of the reporting years of 2000/01 to 2004/05. This has been consistent since 1998. (Source: Ministry of Environment.)			

Rationale for the Performance Measure

Recreational services and opportunities provided in provincial parks make an important contribution to local economies, promote healthy living and support an appreciation for the environment by providing an undisturbed area to observe B.C. landscapes and native species. These public, outdoor and economic contributions are an important factor that the ministry considers when determining the level and types of park recreational services and opportunities to provide. A measure of these park contributions is being provided through an estimate of the number of park visitors (measured as the number of recorded visits to provincial parks). The trend in these data should provide a reasonable indication of the trend in the public, outdoor and commercial opportunities from British Columbia's parks.

Additionally, the ministry is the largest supplier of overnight camping accommodation throughout British Columbia. Since 1985, the ministry has monitored the effectiveness of providing services in provincial park campgrounds by conducting an annual satisfaction survey with a random sample of park visitors in these campgrounds (See Appendix F for more information). The results of this survey are used by ministry staff and park facility operators to better assess what services are being provided well and what services require improvements.

In February 2006, the ministry combined two performance measures — the number of recorded visits to B.C. parks and the visitor satisfaction rate with parks and campground facilities. The combination of park visitations and the satisfaction of visitors provides a

measure of the contribution of recreational services and opportunities offered in provincial parks to the economy and human health, now and in the future.

Achievements and Key Issues

Number of park visits: The ministry has conducted an extensive quality assurance review of the 2005 park visitation data. For 2005, the quality assurance process showed total recorded visits as 18.0 million. In 2005, camping attendance (which contributes approximately 12% to the total recorded visits) increased 3%; while day use (which contributes approximately 87% to the total recorded visits) declined 2%. Overall, the decline in total recorded visits was approximately 1.3%, significantly less than the decline from 2003 to 2004 of approximately 3.7%.

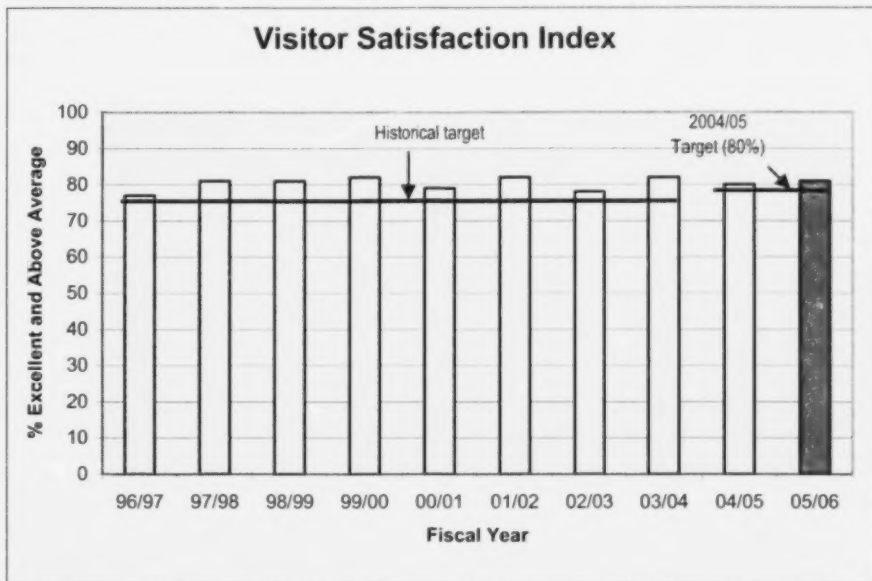
In an effort to achieve a 20% increase in attendance by 2010, BC Parks is undertaking a number of initiatives aimed at increasing attendance. These initiatives include developing a marketing plan, increasing awareness of the various recreational opportunities in parks, and increasing the range of recreational opportunities available. The ministry expects that these activities and other strategies currently under development will enable us to reach the 2010 performance target.

Over the past few years, the ministry has been streamlining how park recreation is provided. In 2002/03, changes in operational processes included changes to the sampling method used for collecting visitor data. Therefore, current data are not comparable to data reported from before these changes were implemented. The changes have resulted in a lower level of overall recorded visits. A new methodology for deriving data for identifying trends in park visitation from year to year is under development. (See Appendix F for more information about the methodology for this measure.)

Park satisfaction survey results: In 2005/06, the ministry's park visitor satisfaction index was 81%. The index of visitor satisfaction is an average provincial rating for five services: cleanliness of restrooms, cleanliness of grounds, condition of facilities, a sense of security and control of noise. The rating is based on responses of "excellent" and "above average."

The ministry's target of 80% for 2005/06 was met. One of the services that contributed to the slight increase in the overall index was an increase in the rating of cleanliness of restrooms from 71% in 04/05 to 75% in 05/06. Over the last 10 years, this service has been rated by many park visitors as being very important to their stay in the campground. The ratings for the other four services continued to be similar to the previous year.

The index of visitor satisfaction for the past 10 years is shown in Figure 3. In 2004/05, the index was increased from 75% in previous years to 80% in 2004/05 to reflect recent performance. The measure provides an indication of how effective service improvements have been throughout the past 10 years.

Figure 3. Visitor satisfaction index from 1996/07 to 2005/06

Future Direction

To continue to meet the ministry's target for visitor satisfaction rate and increase the number of visitors to provincial parks by 20% by 2010, the ministry will continue to upgrade facilities to ensure they are safe, clean and operational. Park facility operators will continue to concentrate on services that maintain and improve customer satisfaction, and the ministry will consider innovative ways to address changing demographics and camper demand for high quality recreational opportunities. Implementation of the government's resort strategy and working with communities on the development of key parks and special tourism destinations is also expected to increase park visitation. All of these efforts will ensure that B.C.'s parks provide world class outdoor recreation opportunities and promote healthy living, particularly for visitors who will attend the 2010 Olympic and Paralympic Winter Games.

Performance Measure

Number of basic hunting and angling licences sold

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Number of basic hunting and angling licences sold	Increase the number of basic hunting licences sold to 100,000 over the next 10 years (baseline in 2004/05) Increase the number of angling licences sold by 30% over the next 10 years (baseline in 2004/05)	Hunting — 83,701 resident 6,131 non-resident Angling — 247,789 resident 65,942 non-resident	10-year target (2014/15)	10-year target (2014/15)
Benchmark/Explanatory Information:	Hunting and angling licences sold: 2004/05: Hunting — 84,003 resident and 5,931 non-resident; Angling — 248,052 resident; and 68,328 non-resident. 2003/04: Hunting — 81,368 resident and 5,785 non-resident; Angling — 252,867 resident and 69,398 non-resident. 2002/03: Hunting — 85,714 resident and 6,234 non-resident; Angling — 275,430 resident and 79,772 non-resident. (Source: Ministry of Environment.)			

Rationale for the Performance Measure

Fish and wildlife recreational services and opportunities are important sources of regional tourism throughout the province. The contribution from these sources is an important factor that the ministry considers when determining the level and types of fish and wildlife recreational services and opportunities to provide. This performance measure currently reports on the actual number of hunters and anglers benefiting from these opportunities in British Columbia. The trend in this data should provide a reasonable indication of any changes in the contribution resulting from fish and wildlife opportunities.

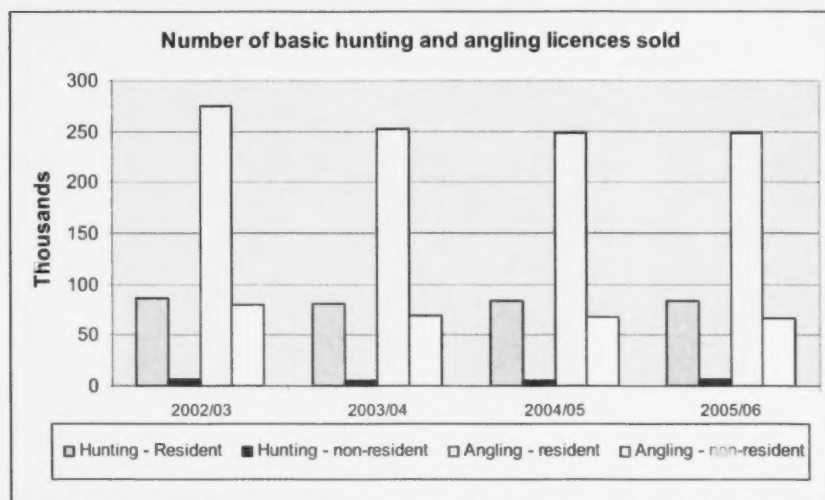
Achievements and Key Issues

In 2005/06, a ministry focus was to ensure the continuance of healthy fish and wildlife populations, which included a number of wildlife inventory and fish stocking projects in every region of the province. Surveying and population modelling for big game species, as well as developing management strategies, were completed and will continue through 2006/07. In partnership with the Freshwater Fisheries Society of B.C., 6.8 million fish were released into 1,062 lakes and streams.

While the total number of basic hunting licenses sold in 2005/06 declined slightly from the previous year (see Figure 4), the number of non-resident basic hunting licenses increased from the previous year, and the number of resident basic hunting licenses declined. The number of angling licenses sold to both residents and non-residents declined slightly.

Licence fees were increased in the past few years as a response to the recommendations of the Recreation Stewardship Panel Report, which may be contributing to a short-term decline as residents and non-residents adjust to the new prices. Weather conditions over the last two summers may also be a contributing factor for the decline in the number of anglers.

Figure 4. Number of basic hunting and angling licenses sold from 2002/03 to 2005/06



Future Direction

Economic contribution can be estimated and reported in various ways. With the demographic characteristics of hunters and anglers changing, and increasing pressures placed on fish and wildlife populations, the focus when allocating fish and wildlife resources for recreation purposes is shifting from increasing the number of participants to providing unique opportunities matched to the preferences of participants. With this shift, changes in the number of basic licences sold may no longer provide a good indication of changes in the economic contribution of fish and wildlife recreation.

The ministry has worked with BC Stats to develop an economic model for estimating economic contribution more directly. In 2003, resident and non-resident hunters, anglers and trappers contributed about \$161 million (0.13%) to the province's Gross Domestic Product (GDP). These activities also generated employment for approximately 9,770 British Columbians. In the future, the ministry is considering including different performance measures to report on the contributions of hunters, anglers and trappers to the province's GDP and employment. Possible measures are the percentage of the province's GDP contributed by hunters, anglers and trappers, as well as the number of jobs dependent on hunting, angling and trapping activities.

Objective 3

Sustainable and collaborative management and use of marine and ocean resources

British Columbia's marine and ocean resources provide great economic benefits to the citizens of the province. The ministry works in collaboration with the federal government to ensure British Columbia's interests are represented in the governance of ocean and marine resources and that these resources are managed in a sustainable manner.

Strategies

Key strategies for this objective include:

- identifying and advancing provincial objectives as they relate to ocean resources and their use
- influencing implementation of the federal Oceans Strategy on the Pacific coast
- ensuring that federal management and international relations reflect provincial objectives for marine fisheries
- representing B.C.'s interests to ensure the seafood sector's fair share of federal and cross government programs, initiatives and activities to promote research, exports and investment
- undertaking programs and strategies to enhance the competitiveness and sustainability of B.C.'s seafood products in domestic and export markets

Performance Measure

Number of marine-based commercial and recreational fisheries managed through a collaborative decision-making process

Performance Measure	2006/07 Target	2006/07 Actual	Variance	Target Met?
Number of marine-based commercial and recreational fisheries managed through a collaborative decision-making process	1 additional/year – 4 fisheries (total)	N/A — New performance measure — to be reported on in the 2006/07 Annual Service Plan Report	N/A	N/A
Benchmark/Explanatory Information:	The three fisheries managed through a collaborative decision-making process in the 2004/05 baseline data are hake, herring and tuna.			

Rationale for the Performance Measure

This is a new performance measure as of February 2006. Economic sustainability is dependent on the level and certainty of access to resources. Measuring the increase in the number of B.C. marine fisheries that are managed collaboratively and include provincial government participation will determine if B.C.'s interests concerning fair allocation and certainty of access to resources are represented.

Goal 5

A high performance organization

A high performance organization is reflected in its leadership, people, corporate operating systems, culture and the services it provides. It is flexible, able to adapt to situations and events, and is responsive to the needs of its clients. A high performance organization provides a challenging and healthy working environment to staff, promotes learning and is committed to continuous improvement.

Core business areas: Environmental Stewardship, Water Stewardship, Environmental Protection, Oceans and Marine Fisheries, Compliance and Executive and Support Services.

Objective 1

A client-focused organization

A client-focused organization strives to identify and develop ways to continuously improve client service. The ministry anticipates what its clients — the citizens, organizations and businesses of British Columbia — will need and how best to meet those needs through responsive staff, effective programs, policy, legislation, decision-making and timely information systems.

Strategies

Key strategies for this objective include:

- fostering positive relationships with clients
- identifying and implementing continuous improvements to client business processes



Success in fulfilling the ministry's mandate, achieving the government's goals and meeting client service needs depends on a high performance workforce. In the objectives and new performance measure for Goal 5, all of the ministry's values are reflected: responsive and adaptive service, professional objectivity, integrity, excellence through innovation and continuous learning, accountability, and the health and well-being of our staff.

Performance Measure

Changes in satisfaction of client groups

Performance Measure	2006/07 Target	2006/07 Actual	Variance	Target Met?
Changes in satisfaction of client groups	Baseline data to be collected in 2006/07	N/A — New performance measure — to be reported on in the 2006/07 Annual Service Plan Report	N/A	N/A
Benchmark/Explanatory Information:	Currently, the ministry administers several client satisfaction surveys, including the parks satisfaction survey and hunter and angler satisfaction surveys. The survey intended to provide data for this measure will be in addition to the surveys currently administered by the ministry.			

Rationale for the Performance Measure

This is a new performance measure as of February 2006. Ensuring client groups are satisfied with the services and working relationships with the ministry is important. Over the coming year, the ministry will be designing and administering a baseline survey of targeted clients. This baseline will provide a starting point from which changes in client satisfaction will be tracked over the coming years.

Objective 2

A healthy working environment that motivates and supports staff, promotes innovation, and attracts and retains high performance employees

The ministry strives to ensure that it is a sought-after, well-respected and innovative place to work. Recognizing that a challenging and balanced work environment is essential for good health and a productive workforce, the ministry recognizes staff for their contributions, supports their work with appropriate resources, and encourages professional development opportunities and health and wellness activities.

Strategies

Key strategies for this objective include:

- updating and implementing the ministry's human resources strategy
- optimizing performance by providing developmental opportunities, recognition and reward initiatives
- advancing the development of a knowledgeable and skilled workforce
- fostering a supportive workplace culture through leadership, health promotion and social relationships

Objective 3

A coordinated approach to legislation, policy, resource allocation and compliance

Leadership and a coordinated approach to legislation and policy development, resource allocation and compliance and enforcement services is essential to ensuring cross ministry consistency, effective and efficient program delivery and the realization of ministry goals. The ministry works across core business areas to support goals and objectives, improve outcomes, identify risks and focus on ministry and government priorities.

Strategies

Key strategies for this objective include:

- providing a legislative and policy framework that supports ministry goals
- leading and managing the deployment of effective and efficient shared services
- providing leadership and service in support of a strategic ministry compliance approach and maintaining strong and effective compliance and enforcement services

Objective 4

An integrated approach to ministry planning, performance management and evaluation

The ministry undertakes an integrated cross ministry approach to strategic, service and business planning, reporting, program evaluation and performance management, ensuring all planning activities reflect the ministry's goals and objectives.

Strategies

Key strategies for this objective include:

- facilitating a strategic and integrated approach to ministry planning and performance management
- providing tools, guidelines, expertise and support for effective business planning and program evaluation

Objective 5

Accurate, timely information

The effective and efficient sharing of accurate, timely information is an essential component of a high performance organization. Well-managed, accurate and accessible information is critical to making informed environmental management decisions and meeting the service needs of British Columbians.

Strategies

Key strategies for this objective include:

- developing information resources to produce optimum results
- pursuing opportunities to maximize the use of technology and best practices in the management of business applications and information resources

Deregulation

The Ministry of Environment has undertaken significant deregulation and regulatory reform initiatives that aim to ensure British Columbia's regulatory climate enables strong economic growth while maintaining effective environmental standards.

Regulatory reform has been and will continue to be undertaken under each core business area as the Ministry of Environment pursues its shift from a prescriptive to a results-based approach to regulation. For example, the implementation of new regulations and codes of practice under the *Environmental Management Act* and *Integrated Pest Management Act* will reduce regulatory burden, clarify responsibilities and make more efficient use of ministry resources.

Another three-year plan for regulatory reform has been introduced by the government. The ministry will support this initiative by committing to controlling regulatory burden and improving regulatory quality. The cross government target of a zero per cent increase in regulations will be maintained through 2008/09. Over the next three years, the ministry will continue its review of legislation and regulations (e.g., the *Wildlife Act*) and look for opportunities that will shift the ministry's regulations to be more citizen-centred, cost effective, results-based and responsive to our clients by reducing and/or streamlining the steps or processes involved in complying with ministry regulations.

Report on Resources

Introduction

A results-based and accountable government requires ministries to disclose the impact of budgetary decisions on performance. Linking performance and financial information is both a key feature of sound management — reinforcing the connection between resources consumed and results achieved — and an effective way to present an informative perspective on ministry spending to the public.

The September 2005/06 – 2007/08 Service Plan Update presents the ministry's performance plans — goals, objectives and strategies — and the resources that will be required to achieve the planned outcomes over three years. The following sections detail the fiscal performance of the ministry, providing an overview of ministry funding, reporting the resources consumed over the 2005/06 fiscal year and comparing actual expenditures against estimated expenditures.

Overview

The ministry's resources are dedicated to activities associated with protecting the environment, managing the province's natural resources, promoting and supporting sustainability practices and promoting the understanding of, and compliance with, environmental regulatory requirements.

The ministry's business model has been evolving and now places less emphasis on the administrative functions of service delivery and more on setting standards and encouraging and enabling others. Enabling partners to accept a greater role in environmental stewardship allows the ministry to focus its resources on key programs and activities, monitor for results and ensure government outcomes are realized.

Efficiencies

The ministry supports government's commitment to balanced budgets and continuous improvement. Programs and systems are evaluated regularly to determine where efficiencies can be made, while maintaining and enhancing program effectiveness and improving client service.

As a result of an internal business review, the ministry revised its administrative policy and process relating to permitting and authorizations for park, fish and wildlife activities. At the time of the review, 22 staff processed approximately 15,000 permits and commercial licences annually. The results of the review demonstrated that the system in place at the time — processing permits and commercial licences manually from regional offices — was inefficient, took staff time away from priority activities, was time consuming for the client, resulted in application inconsistencies, and produced inaccuracies in data collection.

The ministry centralized and streamlined the process through a one-stop web-based service, which currently employs 13 staff who process approximately 12,000 permits and licences annually. Most permits and licences are sent directly to clients' homes. Assistance, through government agent offices and FrontCounter BC, is also available to clients who are uncomfortable with computers. This streamlined system allows the ministry to track licences by region and identify outstanding fees owed. For example, in its first year of operation, the ministry was able to recover over \$50,000 in outstanding fees. Clients have reported that they are very satisfied with the new model.

Over the coming year, the ministry is planning to expand this service to enable clients to apply for, pay for, and receive their permits online.

Ministry Funding

The total net funding available for ministry operations in fiscal year 2005/06 was \$180.62 million. This funding was derived from the following sources:

- Voted appropriation¹⁷ — this is the largest source of ministry funding, which provided \$134.38 million.
- Statutory appropriation — the Sustainable Environment Fund authorizes the collection of waste permit fees under the *Environmental Management Act* and revenue collection under the *Social Services Tax Act* (i.e., surcharges collected on products that cause a problem to the environment, such as children's disposable diapers, and are used for environmental protection programs). This funding source provided \$35.71 million.
- Other authorizations — Contingency Funding (all ministries) and the New Programs Vote provided \$10.53 million.

Other funding sources available to the ministry for operational expenses not summarized above include:

- Internal recoveries — Recoveries within the government reporting entity, excluding the Sustainable Environment Fund, are estimated at \$3.49 million. Internal recoveries include recoveries from other provincial government ministries, such as programs funded under the Ministry of Health's ActNow BC program and the Forest Investment Account. Actual internal recoveries for the year were \$5.46 million.
- External recoveries — Recoveries from outside the Consolidated Revenue fund were estimated at \$10.30 million. External recoveries include recoveries from within the government reporting entity, such as government corporations, and funds outside the government reporting entity, such as other levels of government and private corporations. Actual external recoveries were \$9.06 million.

Ministry Expense by Goal

Resources, strategies and results are linked to goals and objectives in the ministry's service plan. Each core business area has responsibility for undertaking specific strategies and achieving specific results under each goal and objective. As a result, core business

¹⁷ Voted appropriation — the *Supply Act* as represented in the estimates.

area responsibilities and resources are integrated across ministry goals and objectives. This cross ministry approach is an effective business model and has enhanced cross ministry communication, planning and decision-making. Appendix G presents an example of the linkages between goal, objectives, strategies, performance results and core business areas. A portion of each core business area funding is linked to specific strategies.

Ministry Expense (see Figure 5)

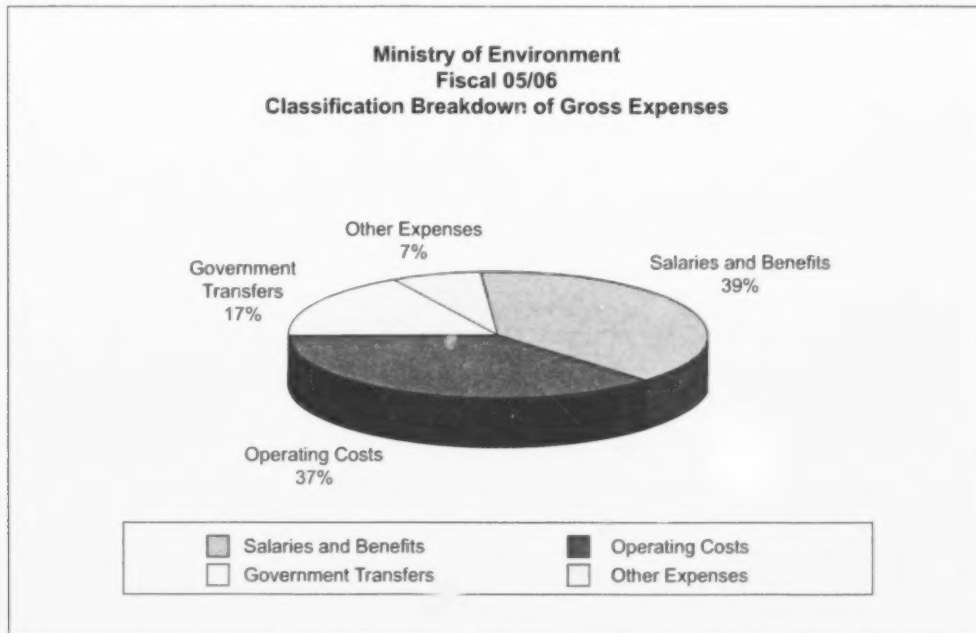
Salaries and benefits — \$75.64 million — the largest expense for the ministry, accounted for 39% of annual spending.

Operating costs — \$71.41 million — includes professional services, parks operating and other contracts, building occupancy and materials and supplies costs, accounted for 37% of gross expenditures.

Government transfers — \$32.78 million — includes grants and transfers under agreement, accounted for 17% of gross expenditures.

Other expenses — \$14.20 million total — includes costs not attributable to other categories, such as charges for water rental remissions, accounted for 7% of gross expenditures.

Figure 5. Gross expense for fiscal 2005/06 (Source: B.C. Draft Public Accounts, 2005–2006)



2005/06 Resource Summary

The 2005/06 Resource Summary on the next page reports on the resources used during the year, by core business area, and compares actual expenditures to the amounts estimated. All significant variances are explained in the section that follows.

Resource Summary Table 2005/06

Core Business Areas	Estimated ¹	Other Authorizations ²	Total Estimated	Actual	Variance
Operating Expenses (\$000)					
Environmental Stewardship	66,107	9,000	75,107	81,699	6,592
Water Stewardship	21,256		21,256	15,435	(5,821)
Oceans and Marine Fisheries	2,131		2,131	2,353	222
Environmental Protection	39,807	1,160	40,967	40,855	(112)
Compliance	16,308		16,308	16,376	68
Executive and Support Services ³	24,476	370	24,846	22,782	(2,064)
Adjustments of Prior Year's Accrual				(155)	(155)
Total	170,085	10,530	180,615	179,346	(1,269)
Full-time Equivalents (FTEs)					
Environmental Stewardship	433		433	474	41
Water Stewardship	85		85	87	2
Oceans and Marine Fisheries	10		10	8	(2)
Environmental Protection	247		247	251	4
Compliance	145		145	137	(8)
Executive and Support Services	130		130	107	(23)
Total	1,050		1,050	1,064	14
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)⁴					
Environmental Stewardship	24,678	2,844	27,522	26,403	(1,119)
Water Stewardship	214	25	239	223	(16)
Oceans and Marine Fisheries	0		0	2	2
Environmental Protection	272	1,518	1,790	2,225	435
Compliance	150	2,894	3,044	3,496	452
Executive and Support Services	4,543		4,543	1,785	(2,758)
Total	29,857	7,281	37,138	34,134	(3,004)

¹ The "Estimated" amount corresponds to the *Estimates* as presented to the Legislative Assembly in September 2005.

² "Other Authorizations" include access to Operating Contingencies for the Living Rivers Trust Fund contribution for \$9 million, Financial Incentives for Recycling Scrap Tires for \$1.16 million and Benefits Cost Pressures for \$0.37 million. Access to capital contingencies was for Capitalized Vehicle Leases in the amount of \$7.281 million.

³ Executive and Support Services include expenses for the Minister's Office, Deputy Minister's Office, Strategic Policy Division, Corporate Services Division (shared with the Ministry of Agriculture and Lands), and shared administrative staff in the regional offices.

⁴ Capital Expenditures in fiscal 2005/06 included \$6.5 million on the Myra Canyon trestles, \$5.5 million in Park and Protected Area land acquisitions, \$12 million in park facilities and \$6.7 million for Capitalized Vehicle Leases.

Operating Expenses

Overall, the ministry's actual expenses were less than the total estimated expenses by \$1.27 million or 0.7%. Any core business surpluses were redirected within the ministry to address priorities. The surplus variance in Water Stewardship, which was due to water rental remissions, contributed toward the \$14 million government transfer payment made to the Living Rivers Trust Fund by Environmental Stewardship.

The Executive and Support Services variance was due to lower than anticipated overhead and shared service costs.

Full-time Equivalents

Overall, the ministry utilized 14 FTEs more than estimated. Environmental Stewardship used 41 FTEs more than budgeted due to staff hired to meet the objectives of recoverable programs. Although salaries costs were recovered by sources outside the ministry (e.g., Forest Investment Account, BC Hydro), the FTE usage was not. This overage was mostly offset by underuse in Executive and Support Services due to recruitment lag.

Capital Expenditures

Overall, the ministry's capital expenditure was under total estimates by \$3.00 million or 8.8%. Information systems development plan delays, as a result of government reorganization, led to a surplus in Executive and Support Services. Where possible, surpluses were redirected to address air/water monitoring equipment and aging equipment replacement needs in Environmental Protection and Compliance programs. Environmental Stewardship was under budget by \$0.60 million due to vehicles not being delivered before fiscal year-end and \$0.50 million due to Myra Canyon trestle delays.

Comparison of 2005/06 and 2004/05 Expense

The ministry's gross expense in 2005/06 increased by \$24.40 million from 2004/05 primarily as a result of program transfers related to government reorganization (\$12.75 million), and approved budget lifts (\$9.18 million) for initiatives such as increased environmental protection activities, additional park rangers and conservation officers, and the creation of the B.C. Conservation Corps.

The breakdown of these expenses is as follows:

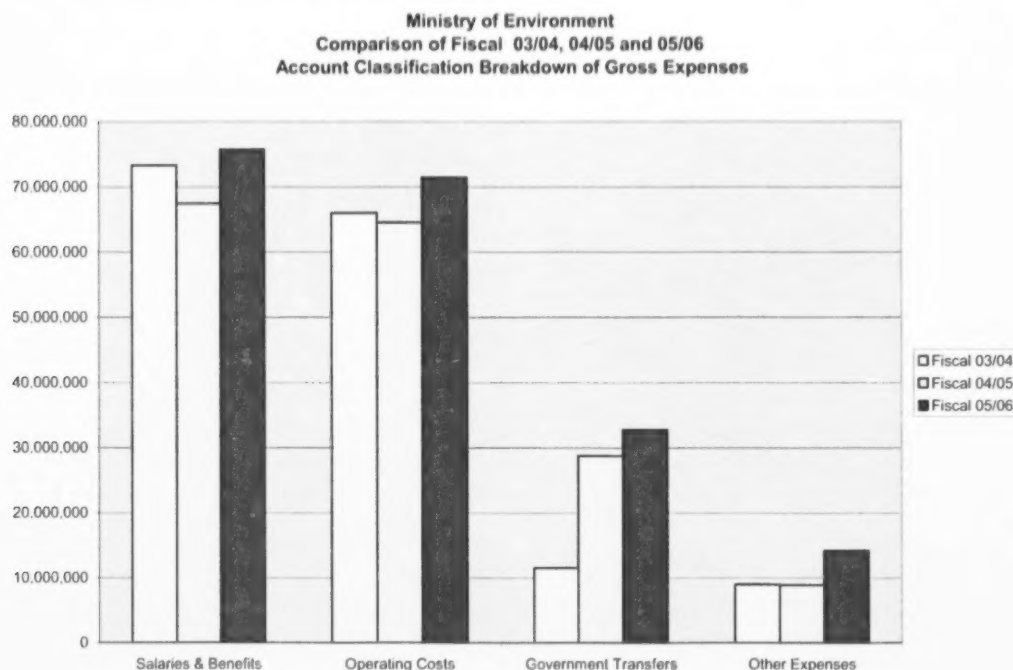
- Salaries and benefits increased by \$8.20 million, due to the addition of the Water Stewardship and Oceans and Marine Fisheries programs (\$6.94 million), and the increase of Park Ranger and Conservation Officer positions.
- Operating costs increased by \$6.89 million, as a result of the inclusion of Water Stewardship and Oceans and Marine Fisheries and other program budget lifts noted above.
- Government transfers increased by \$4.1 million, of which \$2.30 million is accounted for by the addition of Water Stewardship and Oceans and Marine Fisheries.
- Other expenses increased by \$5.30 million, primarily due to water rental remissions in the amount of \$3.66 million.

Year-Over-Year Resource Changes

Figure 6 provides a year-over-year description of the changes to the ministry's resources. It should be noted that additional programs (Water Stewardship and Oceans and Marine Fisheries) were added to the ministry during fiscal 2005/06.

Previous fiscal periods have not been restated for comparative purposes to reflect these resource increases. The two new programs accounted for \$23.38 million in 2005/06 voted appropriations.

Figure 6. *Three-year comparison of gross expense¹⁸*



Environmental Appeal Board and Forest Appeals Commission

The Environmental Appeal Board (Board) and Forest Appeals Commission (Commission) are independent, quasi-judicial tribunals jointly administered by the same office. They hear appeals of government decisions under several provincial statutes concerned with natural resource management, environmental quality and public health protection.

The Board has statutory authority to hear appeals from administrative decisions under the *Environmental Management Act*, the *Health Act*, the *Integrated Pest Management Act*, the *Water Act* and the *Wildfire Act*. For 2005/06, the Board received approximately 67 appeals against 64 orders/permits/decisions.

¹⁸ Source: B.C. Draft Public Accounts, 2005 – 2006

The Commission has statutory authority to hear appeals from administrative decisions made with respect to a variety of matters regulated by the *Forest and Range Practices Act*, the *Forest Act*, the *Range Act*, the *Wildfire Act* and the *Private Managed Forest Land Act*. For 2005/06, the Commission received 112 appeals against 111 orders/permits/decisions.

The Board¹⁹ and Commission²⁰ each produce an annual report, which is provided to their ministers for tabling in the legislature.

¹⁹ Go to <http://www.eab.gov.bc.ca> for more information on the Environmental Appeal Board.

²⁰ Go to <http://www.fac.gov.bc.ca> for more information on the Forest Appeals Commission.

Environmental Assessment Office

Highlights of the Year

Overview

In 2005/2006, the Environmental Assessment Office (EAO) effectively managed the largest project volume in its ten-year history with 50 reviewable projects totalling over 16 billion dollars in potential investment in British Columbia. In an independent client survey, proponents expressed high levels of satisfaction with British Columbia's environmental assessment process and the knowledge and competence of our staff. To further harmonize federal and provincial environmental assessment requirements and promote inter-jurisdictional cooperation, the Environmental Assessment Office negotiated project review agreements with federal counterparts on three major mine developments currently under assessment. In March 2006, the Environmental Assessment Office received the Premier's Award for Organizational Excellence, an honour for high performance and contributions to British Columbia.

Projects Update

During 2005/06, four projects were certified and a total of 50 projects were in the environmental process. The Environmental Assessment Office also reviewed and approved requests from three proponents for amendments to their respective environmental assessment certificates. Under the *Environmental Assessment Act*, the Environmental Assessment Office may declare that an environmental assessment certificate is not required for a project, if satisfied that the project will not result in any significant adverse effects when practical mitigation measures are taken into account. The Environmental Assessment Office determined that two reviewable projects, the Cranbrook Airport Runway Extension and the Vintage Landing Resort and Wellness Village Project did not require an environmental assessment certificate. Each proponent must still obtain all relevant permits and meet all regulatory requirements before they can proceed. Further information about the projects can be reviewed in Appendices H to K. More detailed information can be found on the Environmental Assessment Office's electronic Project Information Centre (ePIC) at <http://www.eao.gov.bc.ca>.

Intergovernmental

When a project is reviewable under the federal *Canadian Environmental Assessment Act* and the *British Columbia Environmental Assessment Act*, the Environmental Assessment Office manages the environmental assessment to minimize duplication and overlap wherever possible. In 2005/06, the Environmental Assessment Office negotiated protocols with the Canadian Environmental Assessment Agency to streamline environmental

assessment and reporting of the Kitimat LNG Project and the Galore Creek Mine Project. For each project, this will result in a joint assessment report for use in decision-making by provincial ministers and the federal Minister of Environment. For the Kemess North Project, the Environmental Assessment Office and Canadian Environmental Assessment Agency established a panel to conduct the environmental assessment, a first under the *British Columbia Environmental Assessment Act*.

First Nations

The Environmental Assessment Office encourages First Nation involvement in project reviews and works to fully identify and address Aboriginal interests through meaningful consultation and accommodation where indicated. Proponents, federal, provincial and local governments continue to work with First Nations on project-specific issues and broader issues of economic development and resource management.

Initiatives in 2005/06 to build relationships with First Nations included three successful workshops with Tahltan communities on the environmental assessment process and mining projects, support for the First Nations Environmental Assessment Technical Working Group and third-party technical assistance to First Nations in the assessments of various mining and energy sector projects.

Respectful engagement with First Nations by the Environmental Assessment Office built trust and support for the environmental assessment process. For example, at the end of the review of the Kitimat LNG Project, the Haisla Nation commended Environmental Assessment Office staff and other government representatives for working hard to understand Haisla interests, which then led to a process on consultation and accommodation that the Haisla view as the standard for how to define relationships between a First Nation, industry and government.

Purpose, Vision, Mission and Values

Purpose

The provincial government created the Environmental Assessment Office in 1995 to coordinate the assessment of proposed major projects in British Columbia under the former *Environmental Assessment Act* and preserved this role for the Environmental Assessment Office when government proclaimed the new *Environmental Assessment Act* in December 2002.

Environmental assessment in the provincial context examines the potential for adverse environmental, economic, social, health and heritage effects from the construction, operation and, where required, decommissioning stage of a project. For any project requiring an environmental assessment certificate, the proponent must complete an environmental assessment and receive a certificate before ministries can issue approvals for the project under other provincial enactments.

There are three ways a project can be designated reviewable under the *Environmental Assessment Act*. The Reviewable Projects Regulation (B.C. Reg. 370/2002) sets size thresholds for projects in the industrial, mining, energy, water management (dams, dykes, and reservoirs), waste disposal, food processing, transportation and tourism (destination resorts) sectors. In 2005/06, seventeen new projects entered the environmental assessment process because they equaled or exceeded thresholds in the regulation. If a project is not automatically reviewable by regulation, a proponent may request the Environmental Assessment Office to designate the project reviewable. In 2005/06, the Environmental Assessment Office designated two projects reviewable after requests from the respective proponents. If a project is not automatically reviewable, and a proponent does not request to enter the environmental assessment process, the Minister may still order an assessment if convinced the project has potential for significant adverse effects and the designation is in the public interest. All projects under review in 2005/06 were either reviewable by regulation or designated reviewable at the request of the proponent.

During an assessment, the Environmental Assessment Office obtains valuable advice on technical and policy considerations within their respective mandates from ministries such as Ministry of Energy, Mines and Petroleum Resources, Ministry of Small Business and Revenue and Ministry of Environment.

The *Environmental Assessment Act* provides for:

- all interested parties, government agencies and First Nations to provide input and identify issues;
- consultations with First Nations to address, and where appropriate accommodate, potential effects on established and asserted Aboriginal rights and title;
- technical studies to identify any potentially adverse environmental, social, economic, heritage or health effects of a proposed project;

- the creation of strategies and measures to avoid, prevent or mitigate potential adverse effects;
- thorough reporting of findings and recommendations on whether to issue an environmental assessment certificate for a project; and
- assigning conditions and follow-up or compliance reporting requirements to a proponent in an environmental assessment certificate.

Proponents are accountable to provide information on their projects and to minimize project impacts. Issues or concerns identified by provincial, federal and local governments, First Nations and the public may trigger modifications or changes to a project as it moves through the environmental assessment process.

Projects subject to the *Environmental Assessment Act* may also be reviewable under the federal *Canadian Environmental Assessment Act*. To minimize duplication and overlap, Canada and British Columbia agreed in the *Canada/British Columbia Agreement on Environmental Assessment Cooperation* (2004) to coordinate information requirements, use provincial time limits and issue a joint assessment report wherever possible, while retaining their respective decision-making powers.

Vision, Mission and Values

The following vision, mission and values replace those presented in the September 2005/06 – 2007/08 Service Plan Update and are taken from the February 2006/07 – 2008/09 Service Plan.

Vision

Environmentally and socially responsible development that contributes to a strong and vibrant economy in British Columbia.

Mission

The Environmental Assessment Office delivers a timely and integrated process for assessing the environmental, social, heritage, economic and health effects, and potential impacts to First Nations' claims to Aboriginal rights and title, of major projects in British Columbia, reports the findings of environmental assessment reviews to government and may make recommendations regarding project certification.

Values

The Environmental Assessment Office respects First Nations and all stakeholders in the environmental assessment process through a principle-based approach that is neutral, fair, balanced and open. The Environmental Assessment Office relies on science and results-based standards wherever possible, encourages innovation, creativity and values:

- Cooperation and teamwork
- Respect for the opinions of others
- Honesty and integrity
- Service excellence
- A healthy workplace
- Accountability to the people of British Columbia

Principles

The Environmental Assessment Office is guided by the following principles:

- *Neutrality* — Neutrally and centrally administered process.
- *Fairness* — Fair and open process.
- *Balance* — Decisions are based on impartial, balanced and informed recommendations.
- *Science-informed decision-making* — Best available information, knowledge and technologies are considered and utilized.
- *Consultative* — Participatory and transparent, ensuring meaningful opportunities for First Nations and public input.
- *Inter-jurisdictional coordination* — Streamlined process minimizing duplication and overlap.

Strategic Context

The steady growth of the provincial economy, increased demand for energy and for energy self-sufficiency, and high commodity prices account for the unprecedented volume of project activity in 2005/06. The Environmental Assessment Office effectively manages environmental assessment in cooperation with other provincial agencies to promote regulatory efficiency and deliver a fair and balanced assessment process competitive with other jurisdictions.

British Columbia Economy

British Columbia's real GDP grew by a solid 3.5% in 2005, slightly above the 3.4% growth rate forecast in the September Budget Update. With strong consumer spending and investment, British Columbia's growth was the second fastest in the country after Alberta's 4.5% expansion. Other signs of the strong economy were lower unemployment rates, strong labour income growth and a residential construction boom.

Energy Sector Development

Government initiatives created numerous market opportunities in the energy sector and an influx of new projects. In 2005/06, nine new major energy projects, each over 50 megawatts, entered the environmental assessment process as industry responded to the opportunity created by BC Hydro's Open Call for Power. In total, 20 energy projects were in the pre-application or application phase of environmental assessment process as of March 31, 2006.

Mining Sector Development

Increased metal and coal prices meant increased investment in mining exploration and development. Seven new mining projects entered the environmental assessment process in 2005/06 for a total of 18 mining projects in pre-application or in the application review phase of the environmental assessment process as of March 31, 2006.

Provincial Infrastructure Development

The Lower Mainland is a major international gateway for the global economy. The Port of Vancouver, Canada's busiest port, handled more than 43 billion dollars in goods in 2005. Vancouver International Airport is Canada's second busiest airport and the second largest international passenger gateway on the west coast of North America. Deltaport Third Berth, Canada Line (formerly the Richmond Airport Vancouver Line) and the South Fraser Perimeter Road were major infrastructure projects in the Lower Mainland in the environmental assessment process as of March 31, 2006.

First Nations

The Environmental Assessment Office continues to facilitate First Nations' participation in reviews to ensure that potential impacts on First Nations' interests are identified and addressed through meaningful consultation and accommodation (where appropriate) in accordance with applicable policy and common law requirements.

Federal Government's Role

Three-quarters of all projects in the environmental assessment process in 2005/06 were also reviewable under the federal *Canadian Environmental Assessment Act*. Coordination of federal and provincial requirements creates a more timely and cost-effective process for proponents. The Environmental Assessment Office works closely with federal counterparts on project-specific timelines, effective management of federal participation and harmonization of federal/provincial reviews.

Risks

Proponents with projects subject to the *Environmental Assessment Act* require an environmental assessment certificate before they can apply for approvals under other provincial enactments and proceed with their projects. Competitiveness and the ability to take advantage of market opportunities increase with a timely environmental assessment process. The Environmental Assessment Office's capacity to manage project loads and harmonize federal assessment requirements is integral to the effective review of major projects, and the Environmental Assessment Office experienced significant budget pressures in 2005/06 from the rapid increase in project volumes.

Service Delivery and Core Business Areas

Service Delivery

Environmental assessment in the provincial context examines the potential for adverse environmental, economic, social, health and heritage effects from the construction, operation and, where required, decommissioning stage of a project.

A flexible, non-hierarchical and responsive team matrix structure enables the Environmental Assessment Office, a small organization, to effectively manage large numbers of time-sensitive project assessments. The Environmental Assessment Office assigns a project lead and core project team to work with each proponent throughout the various phases of the review process. Core project teams can add or reassign members where required for the most efficient and flexible use of human resources. All Environmental Assessment Office employees benefit from developmental opportunities provided by the core project team approach.

The Environmental Assessment Office also uses sector leads for each major project category to ensure timely client access to information and advice on sector-specific issues. The Environmental Assessment Office website at <http://www.eao.gov.bc.ca> contains more information on project and sector leads.

Core Business Areas Overview

The Environmental Assessment Office fulfils its mandated responsibilities through two business areas: Major Project Environmental Assessments and Corporate Operations.

Core Business Area: Major Project Environmental Assessments

The Environmental Assessment Office manages the province's review and assessment of the potential environmental, economic, social, health and heritage effects of major projects in the industrial, mining, energy, water management (dams, dykes, and reservoirs), waste disposal, food processing, transportation and tourism (destination resorts) sectors.

Core Business Area: Corporate Operations

The Environmental Assessment Office shares many of its corporate services with the Corporate Services Division of the Ministry of Environment and the Ministry of Agriculture and Lands. Corporate operations managed by the Environmental Assessment Office include service planning, budgeting, expenditure control, staff development, human resources, policy and legislation, records management, and the electronic Project Information Centre (ePIC) and website. Resources for corporate operations are included under the Environmental Assessment Office's "Core Business."

The Environmental Assessment Office experienced significant budget pressures in 2005/06 due to the increased volume of reviewable projects. On average, 31 of the 34 FTEs were utilized and \$4,457,000 of the \$4,480,000 of the operating budget was expended.

Report on Performance

Service Plan Goal Changes Summary

Table 4 summarizes the changes made to the Environmental Assessment Office's goals and objectives. The left-hand column reflects the goals and objectives in the September 2005/06–2007/08 Service Plan Update. The right-hand column reflects the goals and objectives in the February 2006/07–2008/09 Service Plan.

Table 4. *Changes to the Environmental Assessment Office's Goals and Objectives in 2005/06*

Goals and Objectives September 2005/06–2007/08 Service Plan Update		Goals and Objectives February 2006/07–2008/09 Service Plan	
Goal	Objectives	Goal	Objectives
1. Efficient and effective delivery of environmental assessment	1.1 Continual improvement of the provincial environmental assessment process	1. Environmental assessment reports and recommendations are comprehensive and timely	1.1 Applications for environmental assessment certificates are complete and thorough
	1.2 Enhance federal/provincial cooperation to improve timeliness and certainty, and minimize overlap and duplication		1.2 Meaningful consultation with First Nations during environmental assessments
2. Organizational excellence	2.1 Optimize delivery of environmental assessment	2. The environmental assessment process is clear and streamlined	2.1 The environmental assessment process is easy to follow
	2.2 Timely communication with all stakeholders		2.2 Harmonized federal/provincial assessment processes

Table 5 presents the changes to the Environmental Assessment Office's performance measures by goal. The performance measures from the September 2005/06–2007/08 Service Plan Update appear in the left-hand column; those from the February 2006/07–2008/09 Service Plan appear in the right-hand column. Review of key priorities in relation to the government's Great Goals resulted in three possible outcomes: the performance measure remained unchanged; the measure was revised; or the measure was discontinued. Discontinued performance measures are reported in Appendix L.

Table 5. Changes to the Environmental Assessment Office's Performance Measures in 2005/06

Goals and Performance Measures 2005/06 September Service Plan Update		Goals and Performance Measures 2006/07 February Service Plan	
Goal	Performance Measure	Goal	Performance Measure
1. Efficient and effective delivery of environmental assessment	Percentage of application reviews completed in 180 days	1. Environmental assessment reports and recommendations are comprehensive and timely	Percentage of application reviews within 180 days
	Proponents' overall level of satisfaction with the review process		Percentage of environmental assessment reports that identify and consider all potential significant environmental, social, economic, heritage and health effects raised during the project review
	Value of the EAO's advice to the proponent during the pre-application stage (X)		Percentage of project assessments with First Nations engaged in working group(s)
	Deregulation: reducing unnecessary red tape and regulation (X)		
	Percentage of harmonized reviews that meet provincial timelines		
2. Organizational excellence	Internal policies and procedures are relevant and consistent with new environmental assessment direction (X)	2. The environmental assessment process is clear and streamlined	Proponents' overall satisfaction with the assessment process
	Percentage of staff with an EPDP (X)		Percentage of harmonized federal/provincial reviews that meet provincial timelines
	Posting of public and agency comments on the EAO's ePIC within 7 days (X)		

Note — 'X' indicates measure has been dropped. Explanations and rationales for changes in the performance measures can be found in Appendix L.

Performance Plan Summary Table

Table 6. Synopsis of Environmental Assessment Office Performance Measure Results

Five Great Goals	Environmental Assessment Office Mission The Environmental Assessment Office delivers a timely and integrated process for assessing the environmental, social, heritage, economic and health effects, and potential impacts to First Nations' claims to Aboriginal rights and title, of major projects in British Columbia, reports the findings of environmental assessment reviews to government and may make recommendations regarding project certification.			
	EAO Goals	EAO Objectives	Performance Measures	Results
Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none. Lead the way in North America in healthy living and physical fitness. Create more jobs per capita than anywhere else in Canada.	1. Environmental assessment reports and recommendations are comprehensive and timely	Applications for environmental assessment certificates are complete and thorough	1.1. Percentage of application reviews within 180 days	X
			1.2. Percentage of environmental assessment reports that identify and consider all potential significant environmental, social, economic, heritage and health effects raised during the project review	New performance measure
		Meaningful consultation with First Nations during environmental assessments	1.3. Percentage of project assessments with First Nations engaged in working group(s)	New performance measure
	2. The environmental assessment process is clear and streamlined	The environmental assessment process is easy to follow	2.1. Proponents' overall satisfaction with the assessment process	✓
		Harmonized federal/provincial assessment processes	2.2. Percentage of harmonized federal/provincial reviews that meet provincial timelines	✓✓
	✓✓ Exceeded target. ✓ Achieved target. △ Target mostly achieved. X Missed target. N/A — Not Applicable.			

New performance measures will be reported on in the 06/07 Annual Service Plan Report.

Goals, Objectives, Strategies and Performance Measures

Goal 1

Environmental assessment reports and recommendations are comprehensive and timely

Ministers require timely, high quality information, analysis and recommendations about the potential effects of a project to decide whether to issue an environmental assessment certificate. The Environmental Assessment Office recognizes that to assess the impacts of a project, information in applications for environmental assessment certificates must be complete and thorough. Also key is meaningful consultation with First Nations to identify and address potential effects to First Nations' interests. The Environmental Assessment Office will report its performance against this goal in the Annual Service Plan Report for 2006/07.

Objective 1

Applications for environmental assessment certificates are complete and thorough

The Environmental Assessment Office works closely with government agencies, First Nations and proponents to determine the information required from a proponent (known as an application for an environmental assessment certificate) to assess the potential environmental, economic, social, health and heritage effects of a project. The Environmental Assessment Office also assesses the adequacy of a proponent's proposed plans for consulting the public and First Nations during the application review. These measures help ensure the proponent's application is complete so the process can proceed in a timely manner.

Strategies

The Environmental Assessment Office sets out, in Terms of Reference issued to a proponent, the information required for an application for an environmental assessment certificate and carefully screens all applications to ensure they contain all information necessary for a thorough assessment of the potential effects of the project.

Performance Measure

Percentage of application reviews completed within 180 days

Performance Measure	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Percentage of application reviews completed within 180 days	75%	100%	90%	75%	15%	No
Explanatory Information	The Environmental Assessment Office completed four environmental reviews and referrals to ministers. Three reviews took 124, 161 and 178 days respectively and one review took 186 days. The average number of days per review was 162 days.					

Rationale for the Performance Measure

Legislated time limits in the *Environmental Assessment Act*, including a 180-day limit for review of applications for environmental assessment certificates, offer greater process certainty and are important for effective planning and decision-making. The Environmental Assessment Office carefully monitors whether legislated time limits are met.

Achievements and Key Issues

Whistler Nordic Centre, Orca Sand and Gravel, Canada Line and Red Chris Porphyry Copper-Gold Mine were all subject to the *Environmental Assessment Act* and the *Canadian Environmental Assessment Act*, and the Environmental Assessment Office worked closely with federal counterparts to harmonize the review process. For the review of the Red Chris Porphyry Copper-Gold Mine, the Environmental Assessment Office extended the legislated time limits by six days to allow sufficient time to resolve a First Nation's concern.

The Environmental Assessment Office works with First Nations to facilitate their involvement in project reviews to ensure potential impacts on First Nations' asserted Aboriginal rights and title are identified and addressed through meaningful consultation and accommodation (where indicated) in accordance with applicable policy and law requirements. The Environmental Assessment Office provides funding for First Nations' participation and invites First Nations to comment on key assessment documents and reports, and participate in technical working group meetings to discuss and resolve issues.

Goal 2

The environmental assessment process is clear and streamlined

The environmental assessment of major projects must preserve high environmental standards, offer process certainty to proponents, be competitive with other jurisdictions and be accessible to all levels of government and stakeholders. To meet the goal of an environmental assessment process that is clear and streamlined, the Environmental Assessment Office set two objectives: (1) an environmental assessment process that is easy to follow and (2) harmonization with the federal government.

Objective 1

The environmental assessment process is easy to follow

The Environmental Assessment Office seeks to continually improve the environmental assessment process through the development of tools to improve proponents', First Nations', and the public's understanding of the process and assist with the preparation of assessment documentation. Efforts are also made to enhance public information about the environmental assessment process and provide access to information about project reviews as they proceed.

Strategies

Strategies for this objective include the drafting of sector specific guidelines for each project category and a proponents' guide to the environmental assessment process as well as publications and tools for increased public understanding of the process and how to participate.

Performance Measure

Proponents' overall level of satisfaction with the review process

Performance Measure	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Proponents' overall level of satisfaction with the review process.	N/A	8 out of 10	Maintain or improve	8 out of 10	None	Yes

Rationale for the Performance Measure

The Environmental Assessment Office values client feedback for continuous improvement and to gauge whether proponents find the environmental process clear and easy to follow. Environmental assessments require significant human and financial resources from proponents and government. The best use of these resources depends on a process that is clear.

Objective 2

Harmonized federal/provincial assessment processes

In 2004, British Columbia and Canada renewed the Canada/British Columbia Agreement on Environmental Assessment Cooperation. The agreement is designed to achieve government cooperation, efficient and effective use of public and private resources and procedural certainty for participants in the environmental assessment process. The agreement includes specific measures to minimize costly and time-consuming duplication and overlap when a project is subject to provincial and federal assessment legislation.

Strategy

The key strategy for this objective is to ensure that joint federal/provincial environmental assessments meet all requirements of the *Canada/British Columbia Agreement on Environmental Assessment Cooperation* (2004).

Performance Measure

Percentage of harmonized reviews that meet provincial timelines

Performance Measure	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Percentage of harmonized reviews that meet provincial timelines	N/A	100% of all harmonized reviews met provincial timelines	80%	75%	5%	No

Rationale for the Performance Measure

A unified time limit for completion of provincial and federal environmental assessments reduces duplication and overlap, supports the efficient and effective use of public and private resources and offers procedural certainty for participants in the environmental assessment process.

For the year 2005/06, each of the four projects certified by provincial ministers under the *Environmental Assessment Act* were also subject to the *Canadian Environmental Assessment Act*. In each case, the Environmental Assessment Office managed these harmonized reviews on behalf of both governments using provincial time limits and consulted extensively with federal departments to develop federal/provincial work plans and address any coordination issues. For the review of the Red Chris Porphyry Copper-Gold Mine, the Environmental Assessment Office extended the legislated time limits by six days to allow sufficient time to resolve a First Nation's concern.

Deregulation

In 2004/05, our regulations were recounted and a baseline was set from which there was no net increase in regulations. The Environmental Assessment Office remains committed to ensuring no net increase in regulations occurs. We met this commitment over the 2005/06 period.

Report on Resources

During 2005/06, the Environmental Assessment Office experienced budget pressure from a significant increase in the volume of reviewable projects. Internal and external recoveries associated with project reviews helped ensure the Environmental Assessment Office met its operating expenses. To be consistent with the change introduced in the Public Accounts, the variance column has been changed this year. Variance will be displayed as "Actual" minus "Total Estimated." If the "Actual" is greater, then the variance will be displayed as a positive number.

Resource Summary Table 2005/06

Core Business Areas	Estimated	Other Authorizations	Total Estimated	Actual	Variance
Operating Expenses (\$000)					
Major Project Environmental Assessments	4,480	0	4,480	4,457	(23)
Corporate Operations	Rolled into core business item 1				
Total	4,480	0	4,480	4,457	(23)
Full-time Equivalents (Direct FTEs)					
FTEs	34	0	34	31	(3)
Total	34	0	34	31	(3)
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)					
Corporate Operations	62	0	62	47	(15)
Total	62	0	62	47	(15)

Capital Expenditures

Improvements to the electronic Project Information Centre operating system planned for 2005/06 will be completed in May 2006.

Annual Report Appendices

Appendix A: Ministry of Environment Glossary of Terms

airshed: geographical areas in which air quality is a function of the same sources, weather and topography.

ambient air or water quality: the overall or general condition of air or water in a region outside the zone of influence of discharges — in contrast to local condition, which may be related to a specific source of contamination.

baseline: an actual result or a composite of an organization's past performance in a particular area that can be used to set future targets, or for comparison to other organizations. A baseline provides a starting point against which future progress can be assessed.

B.C. water quality guidelines: guidelines developed in B.C. that provide benchmarks for the assessment of water quality. If a substance concentration is lower than the concentration indicated in the guideline, generally speaking, a water quality problem for that particular substance is non-existent; however, if the substance concentration exceeds its guideline, an assessment of the water quality is warranted.

benchmarking: a process of continuously comparing and measuring an organization or aspects of an organization against sector/industry leaders, with the objective of gaining information that will help the organization take actions and make changes to improve its performance.

brownfield: an idle or underused property where past activities have caused environmental contamination but which exhibit good potential for other uses and provide economically viable business opportunities.

coal bed gas: natural gas found in underground coal deposits. The gas is contained within the coal seam where it is absorbed or attached to the coal particles. During production, water is pumped out of the coal seams lowering the pressure thus releasing the gas to be collected and sent to market.

ecosystem: organisms of a natural community, together with their physical, chemical and biological environment.

Fisheries Sensitive Watershed (FSW): a designation under the *Forest and Range Practices Act*. To qualify as an FSW candidate, watersheds must meet two criteria: significant fisheries values and watershed sensitivity. More information can be found at <http://www.env.gov.bc.ca/wld/fsw/>.

greenhouse gases: gases that play a part in the greenhouse effect: carbon dioxide (CO₂, the most significant greenhouse gas), methane, nitrous oxide, ozone, water vapour, CFCs and other trace gases.

industry-led product stewardship: places the responsibility for end-of-life product management on those who produce, distribute, sell or use products or containers listed under the B.C. Recycling Regulation.

low level ozone: Also called ground level ozone. A bluish gas with a pungent odour. At ground level, ozone is formed by chemical reactions between volatile organic compounds (VOCs) and nitrogen dioxide (NO₂) in the presence of sunlight. VOCs and NO₂ are released by burning coal, gasoline and other fuels, and naturally released by plants and trees.

mountain pine beetle: the mountain pine beetle epidemic in B.C. is the largest forest insect infestation in Canada's history. The beetle prefers mature timber and is affecting lodge pole pines of 80 years or more.

nitrate: an essential plant nutrient found in fertilizers and which may be produced during the breakdown of organic wastes. Excessive fertilizer application, improper agricultural waste management or underground septic tanks may increase nitrate levels in groundwater. Nitrates reduce the ability of blood to carry oxygen. Infants under six months are particularly at risk from drinking well-water containing excessive nitrates.

particulate matter (PM): fine liquid or solid particles (such as dust, smoke, mist fumes or smog) found in the air or emissions. Also known as particulates.

pollution prevention hierarchy: as follows in descending order of priority: reduce the environmental impact of producing the product by eliminating toxic components and increasing energy and resource efficiency; redesign the product to improve reusability or recyclability; eliminate or reduce the generation of unused portions of a product that is consumable; reuse the product; recycle the product; recover material or energy from the product; otherwise dispose of the waste from the product in compliance with the *Environmental Management Act*.

PM_{2.5}: measure of particulate matter under 2.5 microns. Recent studies have shown that particles of 2.5 microns or less (PM_{2.5}) pose the greatest health risk. A particle of 2.5 microns is about 1/20th the width of a human hair.

protected areas: refers to parks, recreation areas, ecological reserves and designations under legislation for which the Ministry of Environment is responsible. They include:

- Class A parks established under the *Park Act* or by the *Protected Areas of British Columbia Act*
- Class B and C parks and recreation areas established under the *Park Act*
- Ecological reserves established under the *Ecological Reserve Act* or by the *Protected Areas of British Columbia Act*
- "protected areas" and other conservation-oriented designations established under the *Environment and Land Use Act* that are managed by the Environmental Stewardship Division, Ministry of Environment.

species at risk: species at risk means endangered, extirpated or threatened.

stewardship: stewardship refers to the concept of responsibly managing natural resources for the benefit of present and future generations and encouraging the active participation of persons or groups, including citizens, communities, government and industry.

Ungulate Winter Range (UWR): an area that contains habitat that is necessary to meet the winter habitat requirements of an ungulate species. UWRs are based on our current understanding of ungulate habitat requirements in winter, as interpreted by the Ministry of Environment regional staff from current scientific and management literature, local knowledge, and other expertise from the region. For more information, please visit <http://www.env.gov.bc.ca/wld/uwr/index.html>.

watershed: an entire area that is drained by a waterway or that drains into a lake or reservoir. Also referred to as a water basin.

Wildlife Habitat Areas (WHAs): mapped areas of Crown land containing critical habitat, such as breeding, feeding and denning habitat, crucial to identified wildlife. WHAs help protect species and plant communities at risk by specifying mandatory practices called general wildlife measures.

Appendix B: Comparison between Previous and Revised Ministry of Environment Vision, Mission and Values

The left-hand column of table below shows the ministry's vision, mission and values as they were presented in the September 2005/06 – 2007/08 Service Plan Update. The right-hand column presents our new vision, mission and values as they appear in the February 2006/07 – 2008/09 Service Plan. Our new vision, mission and values build on the strong foundation of the old and continue to inform our approach and the work that we do.

September 2005/06 – 2007/08 Service Plan Update	February 2006/07 – 2008/09 Service Plan
Vision	Vision
A clean, healthy and naturally diverse environment that enriches people's lives, now and in the future.	A clean, healthy and naturally diverse environment.
Mission	Mission
The ministry provides leadership and support to British Columbians to help them limit the adverse effects of their individual and collective activities on the environment, while fostering economic development and providing outdoor opportunities.	Lead, inform, involve and support British Columbians to achieve the best environmental stewardship and sustainability.
Values	Values
• We respect our staff and create a healthy workplace that sets and communicates clear expectations, and supports a culture of staff development, recognition, reward and opportunity. • We ensure that professional accountability and discipline characterize our behaviour. • We focus on achieving high environmental standards through a culture of continuous adaptation to change. • We strive to consistently meet agreed-upon client requirements and deliver our services in a transparent, fair and timely manner. • We are committed to continuous improvement in the environmental management of the province.	• Service — We provide service that is responsive, adaptive and based on client needs. • Objectivity — We perform our work in a professional manner that promotes an objective approach to environmental management. • Integrity — We act in a truthful, ethical and transparent manner. • Excellence — We encourage innovation, creative solutions and a culture of continuous learning. • Accountability — We are efficient and effective in our work and accountable to the Legislature and the public for results. • Wellness — We believe in a working environment that promotes health and well-being, and allows staff to achieve their highest potential.

Appendix C: Ministry of Environment Office Locations

Vancouver Island • Nanaimo • Parksville • Ucluelet • Victoria	• Goldstream Park • Black Creek • Duncan • Port Alberni • Port Hardy
Lower Mainland • Powell River • Cultus Lake • Sechelt	• Surrey • Brackendale (Squamish) • North Vancouver
Southern Interior • Clearwater • Grand Forks • Merritt • Lillooet	• Kamloops • Penticton • Vernon • Princeton/Manning Park • Kelowna/Oliver
Kootenay • Cranbrook • Castlegar • Creston/West Creston	• Nelson • Fernie • Revelstoke • Invermere
Cariboo • Williams Lake • 100 Mile House	• Quesnel • Bella Coola/Hagensborg
Skeena • Terrace/Lakelse Lake • Queen Charlotte City • Smithers	• Burns Lake • Dease Lake • Atlin
Omineca-Peace • Fort Nelson/Liard Hotsprings • Prince George • Mackenzie	• Fort St. John • Dawson Creek • Vanderhoof • Chetwynd/Moberly Lake Park

Appendix D: List of Legislation Administered by the Ministry of Environment

The following legislation, in alphabetical order, is currently administered by the Ministry of Environment:²¹

- *Beaver Lodge Lands Trust Renewal Act*
- *Commercial River Rafting Safety Act* (only some sections relating to safety inspections and enforcement remain in force)
- *Creston Valley Wildlife Act*
- *Dike Maintenance Act*
- *Drainage, Ditch and Dike Act*
- *Ecological Reserve Act*
- *Environmental Assessment Act*
- *Environmental Management Act*
- *Fish Protection Act*
- *Hunting and Fishing Heritage Act*
- *Industrial Operation Compensation Act*
- *Integrated Pest Management Act*
- *Land Title Act* (s. 219 only, insofar as it relates to the portfolio of the Minister)
- *Ministry of Environment Act* (all except s. 4 (2) (d))
- *Ministry of Lands, Parks and Housing Act* (ss. 3(4), 5(b), 6 and 9, insofar as they relate to the portfolio of the Minister)
- *Okanagan River Boundaries Settlement Act*
- *Park Act*
- *Protected Areas of British Columbia Act*
- *Skagit Environmental Enhancement Act*
- *Sustainable Environment Fund Act*
- *Water Act*
- *Water Protection Act*
- *Water Utility Act*
- *Wildlife Act*

²¹ Citations for all Acts and regulations are to the most recent or original versions. Readers are strongly advised to confirm the currency of legislation with appropriate legal research before relying upon these citations as they are frequently amended and are subject to change without notice.

Appendix E: Discontinued Ministry of Environment Performance Measures

Below is a list of the performance measures that appeared in the September 2005/06 – 2007/08 Service Plan Update, but were discontinued in the February 2006/07 – 2008/09 Service Plan. The rationale for not continuing a performance measure is included. Some measures continue to be tracked.

Discontinued Ministry of Environment Performance Measures from the September 2005/06 – 2007/08 Service Plan Update	
Performance Measure	Rationale
Contaminated sites backlog reduction	This was the first of three indicators for the objective to "Streamline standards and improve monitoring, reporting and compliance" under the ministry's previous Goal 1 in the September 2005 Service Plan Update. The measure was discontinued in the February 2006 Service Plan. The 2005/06 target to eliminate 95% of the backlog of non-high-risk applications by March 2006 was surpassed, and the approximately 150 applications in the backlog as of April 2003 were eliminated.
Average processing time for issuing permits	This was the second of three indicators for the objective to "Streamline standards and improve monitoring, reporting and compliance" under the ministry's previous Goal 1 in the September 2005 Service Plan Update. The measure was discontinued in the February 2006 Service Plan. The bringing into effect of the <i>Environmental Management Act</i> in 2004 resulted in streamlining legislative requirements. British Columbia and Alberta continue to work on identifying and, where appropriate, prioritizing harmonization opportunities and approaches to effective and efficient regulatory requirements, codes and processes.
Turnaround time for pesticide certification	This was the third indicator for the objective to "Streamline standards and improve monitoring, reporting and compliance" under the ministry's previous Goal 1 in the September 2005 Service Plan Update. The measure was discontinued in the February 2006 Service Plan. The target was to reduce the time people had to wait to receive examination results and certification. The two-week turnaround target continues to be met.
Response to environmental emergencies	This indicator was for the objective "Effective response to high-risk environmental emergencies" under the ministry's previous Goal 1 in the September 2005 Service Plan Update. The measure was discontinued in the February 2006 Service Plan. The ministry has shifted its focus to high-risk issues/events and expanded industry's responsibility for responding to low- and medium-risk spills. The ministry continues to meet its target of 100%.

Discontinued Ministry of Environment Performance Measures from the September 2005/06 – 2007/08 Service Plan Update	
Performance Measure	Rationale
Regulatory reform targets	This indicator was for the objective "Clear vision, leadership, direction and support for all ministry programs" under the ministry's previous Goal 4 in the September 2005 Service Plan Update. The measure was discontinued in the February 2006 Service Plan. This measure is part of government's commitment to regulatory reform. The initial three-year regulatory reform plan was about meeting targets for the reduction of regulatory requirements by one-third across government. The ministry exceeded this goal by achieving a 42% reduction in regulatory requirements, accomplished in large part by repealing outdated statutes and regulations and by consolidating and streamlining other existing statutes and regulations. This initial three-year plan was successfully completed in 2005. As of 2006, a new multi-year commitment on regulatory reform has been developed. As part of these next steps, ministers have committed to a zero per cent increase in regulatory requirements and to continue to pursue regulatory reform and reduction opportunities over the next three years. As part of government's commitment to accountability and transparency, the Regulatory Reform Office reports quarterly to British Columbians on the progress being made on regulatory reform.
Percentage of staff with an Employee Performance and Development Plan (EPDP)	This indicator was for the objective "Efficient program management, fiscal responsibility and client service" under the ministry's previous Goal 4 in the September 2005 Service Plan Update. This measure was discontinued in the February 2006 Service Plan. The target of 100 % of staff with an EPDP continues to be met. The plans make clear links to the ministry's service plan and identify the work outcomes for which an employee is accountable.

Appendix F: Notes on Ministry of Environment Performance Measures and Supplemental Information

Performance measurement is the process of assessing progress toward achievement of pre-determined goals and objectives. Performance measures are the yardsticks we use for assessing our progress toward the achievement of these goals and objectives.

Outcome measures²² are the most important type of measure as they are an indicator of the impact, consequence or change that resulted from a program or activity. Two key limitations of outcome measures are (1) many factors other than a specific program or activity can affect them; and (2) it can take a long period of time before an outcome can be realized. In most cases, the ministry's service plans have established output or process measures.²³ These measures identify how the program or activity is doing based on pre-established targets. The ministry also utilizes quality measures.²⁴ In the future, the ministry will attempt to incorporate outcome measures into its performance management framework, where possible, as they remain a key indicator of the effectiveness of a program.

In developing its performance framework, the ministry focuses on those few, critical aspects of performance²⁵ that relate to the organization's goals and objectives and for which it has a particular responsibility or major influence over. Potential measures are assessed in relation to whether they are a meaningful indicator of the goal or objective, data sources are accurate and reliable, and there is methodological consistency in comparative measures.

The ministry's twelve performance measures are:

1. Trends in environmentally significant variables indicating the health of 30 water bodies monitored under a federal/provincial agreement.
2. Percentage of monitored communities achieving the Canada-wide standard (CWS) quality objective for PM_{2.5} and low level ozone.
3. Per capita greenhouse gas (GHG) emissions relative to other provinces.
4. Number of completed designations by the Ministry of Environment under the *Forest and Range Practices Act*, including Wildlife Habitat Areas, Ungulate Winter Ranges, and Fisheries Sensitive Watersheds.
5. Municipal solid waste disposal (kilograms/capita).^{26*}
6. Number of Collaborative Management Agreements and Regional Fish and Wildlife Advisory Processes with First Nations.

²² An "outcome" measure measures the intended impact, consequence or change resulting from a program or activity.

²³ An "output" measure measures the level of service or what has been produced by an activity.

²⁴ A "quality" measure measures the quality of service or output.

²⁵ Office of the Auditor General of British Columbia. Reporting Principle 3 from *Building Better Reports: Our Methodology for Assessing the Annual Service Plan Reports of Government*. July 2005.

²⁶ *Performance measures 5, 8, 11 and 12 are new measures established in the February 2006/07 - 2008/09 Service Plan and will be reported on in next year's Annual Service Plan Report.

7. Number of product categories with industry-led product stewardship programs.
8. Number of water or watershed management plans completed and implemented.*
9. Number of recorded park visits and visitor satisfaction rate.
10. Number of basic hunting and angling licences sold.
11. Number of marine-based commercial and recreational fisheries managed through a collaborative decision-making process.*
12. Changes in satisfaction of client groups.*

Performance measure targets are established by collecting current baseline data, assessing leading edge practices in other jurisdictions, reviewing and analyzing scientific data, determining what level of performance the ministry wishes to achieve over the coming year(s), and setting targets to measure progress.

The following provides supplemental information to the performance measures reported on in this Annual Service Plan Report.

Trends in environmentally significant variables indicating the health of 30 water bodies monitored under a federal/provincial agreement

The water bodies selected for monitoring are identified in a three-year business plan agreed to by the ministry and Environment Canada. They are selected based on the following criteria:

- whether provincial coverage is ensured;
- whether local activities may have a negative effect on the water quality of a water body;
- whether a water body is used and for what purposes (e.g., by residents for drinking, irrigation, livestock watering, or recreational purposes; and by wildlife and aquatic life); and
- whether water bodies are monitored by other entities.

Data are collected bi-weekly, or in some cases monthly, from each water body by trained samplers using established protocols. Once the samples have been collected, they are sent for analysis to laboratories that have been accredited by the Canadian Association of Environmental Laboratories (CAEL).

There are a wide variety of chemical, physical and biological indicators of water quality that are measured, including: major ions, dissolved solids, conductivity, trace elements, algae, zooplankton, nutrients, nitrate, pH levels, acidity, alkalinity, non-filterable residue and turbidity, colour, fecal coliforms, cyanide, adsorbable organic halides (AOX), temperature, total dissolved gases, dissolved oxygen, and flow. The trends in the above-monitored indicators are based on data collected regularly and consistently over periods of five to ten years or more. Data are reviewed annually for each of the 30 water bodies to assess whether there has been a significant variance from the trend. Each water body is subjected to a detailed statistical analysis approximately every five years (i.e., statistical analysis is conducted for five or six water bodies per year) as this is the timeframe in which it is expected that a change in the trend would become noticeable.

Percentage of monitored communities achieving the Canada-wide standard (CWS) quality objective for PM_{2.5} and low level ozone

The ministry collects PM_{2.5} from approximately 80 air quality monitoring sites from over 45 communities, and ozone data from approximately 30 sites from over 25 communities across the province. The monitors are placed in communities that are more densely populated or where air quality may be an issue. The monitors are audited twice a year by the ministry following U.S. Environmental Protection Agency protocols for auditing and record-keeping standards. Each community's data are analyzed using SAS statistical software, and the end result for each community is checked against air quality results reported by other agencies (e.g., Environment Canada).

Per capita greenhouse gas (GHG) emissions relative to other provinces

GHG emission data are collected by Environment Canada and per capita population statistics are derived from population statistics from Statistics Canada. The ministry relies on the quality of these data sources and the methodologies used by ministry technical experts and contractors for the analysis of the data.

Data on per capita GHG emissions are not available until two years later (e.g., 2005 data are available in 2007). The per capita emissions figures are calculated by dividing the total B.C. greenhouse gas emissions figures by the total B.C. population figures. For more information, please see <http://www.env.gov.bc.ca/soerpt/>.

Number of completed designations by the Ministry of Environment under the *Forest and Range Practices Act*, including Wildlife Habitat Areas, Ungulate Winter Ranges, and Fisheries Sensitive Watersheds

Designations under the *Forest and Range Practices Act* (FRPA) provide special management for species impacted by forest and range activities on Crown land. These designations provide legislated protection for habitats and contribute significantly to the conservation of native species. To adequately demonstrate progress, two types of data are being collected: (1) the number of designations and objectives established, and (2) the area of forest land base for which designations and objectives have been established. Performance targets are based on expected levels of funding from the Forest Investment Account and other funding sources related to achieving the performance measure, and are provided only for the number of designations as the size of the areas will depend on the species. The areas for WHAs and UWRs are accurate within $\pm 5\%$ as amounts may include overlapping areas not covered under the *Forest and Range Practices Act* such as parks and protected areas and private land.

Number of Collaborative Management Agreements and Regional Fish and Wildlife Advisory Processes with First Nations

The ministry is committed to enhancing our relationships with First Nations and Aboriginal peoples as we work toward developing new models of shared stewardship of our natural resources and activities that conserve ecosystems, species and habitats.

British Columbia and Canada have a history of legislation that affects our relationship with Aboriginal peoples and land. This legislative history began in 1763 with the Royal Proclamation issued by King George III. The Royal Proclamation, which was focused on lands in eastern Canada, acknowledges that Aboriginal people continue to possess traditional territories until they are "ceded to or purchased by" the Crown. The Royal Proclamation is still referenced in the Canadian Charter of Rights and Freedoms.

This performance measure consists of the number of agreements with First Nations and includes Collaborative Management Agreements and Regional Fish and Wildlife Advisory Processes. Collaborative Management Agreements define how the province and First Nations will work together on the management of protected areas. Regional Fish and Wildlife Advisory Processes provide a region-wide perspective and actively engage First Nations, tenure holders and stakeholders with a direct interest in fish and wildlife management.

Number of product categories with industry-led product stewardship programs

This measure outlines the number of product categories covered by the B.C. Recycling Regulation under the *Environmental Management Act*. For more information, please refer to <http://www.env.gov.bc.ca/epd/epdpa/ips/index.html>.

Number of recorded park visits and visitor satisfaction rate

There are three components to park visitation data: camper-nights, day-use visits (which account for almost 90% of all visits) and visits to marine parks. Traffic counters, infra-red counters and visual counts are used throughout the province to collect data regarding the number of parties visiting parks. The number of parties recorded for each visitation component is then multiplied by a factor that estimates the average number of people per party to give the total number of recorded visits. The factors are 3.2 for camping parties and boating parties, and 3.5 for day-use parties.

This is a measure of total recorded visits, not total visits, as there are parks where visitation data are not collected. Total recorded visits are not a good indicator of trends in overall visitation from year to year because they are affected by when and where data are collected, which has not been consistent over time. To address this, the ministry is developing a new methodology for deriving trend data from a subset of core parks within the protected area system. Data will be collected consistently each year from this subset of parks in order to identify changes in park attendance trends overall. Additionally, the ministry has initiated a review of the existing park attendance system with the goal of having a new attendance system in place by 2006.

Approximately 5,000 campground park visitors are surveyed each year, usually between May 15 and just after the Labour Day long-weekend in the first week of September. The survey is sent to each park for distribution by park operators with provisions made for random sampling of subjects. A Visitor Satisfaction Index is derived from the survey responses. This is an overall rating, averaged for the province, that campers and park visitors provide for five categories: cleanliness of restrooms, cleanliness of grounds, condition

of facilities, sense of security, and control of noise. Responses of “excellent” and “above average” are considered to indicate satisfaction.

The survey data are entered into a statistical database program, which is used to perform all statistical calculations (the software product used is designed to help manage complex surveys). There may be subsequent follow-up sampling to confirm that the surveys were completed by legitimate park visitors.

Number of basic hunting and angling licences sold

The number of basic licences sold reflects the number of people participating in hunting and angling activities as a basic licence must be purchased before a person can hunt or fish or purchase a supplementary species licence. Data for this measure are obtained from the Government Agents Branch of the Ministry of Labour and Citizens’ Services and the Ministry of Environment. The Government Agents Branch is responsible for the management of Angling and Hunting Licence

Vendor Operations and the sale of most but not all basic and supplementary licences throughout the province.

The Ministry of Environment also sells a number of licences.

Data are collected monthly and are reported by residency category and type of licence. Data are auditable as the number of licences sold must reconcile with revenues collected for sale of the licences.



Appendix G: Example of Linkages between Ministry of Environment Goal, Objectives, Strategies, Performance Measures and Core Business Areas

Ministry Goal 4 Sustainable use of British Columbia's environmental resources					
Objective 1 Sustainable use and continued benefits of water and air		Objective 2 Optimized public, outdoor and commercial opportunities from B.C.'s parks, fish and wildlife		Objective 3 Sustainable and collaborative management and use of marine and ocean resources	
Key strategies	Responsibility	Key strategies	Responsibility	Key strategies	Responsibility
seeking public consensus on a new water allocation model	WS	providing outstanding hunting, angling and wildlife viewing opportunities	ES	identifying and advancing provincial objectives as they relate to ocean resources and their use	OMF
exploring shared governance frameworks to promote increased community and stakeholder involvement at the local level	All	developing and implementing outdoor activities and commercial opportunities that reflect client preferences	ES	influencing implementation of the federal Oceans Strategy on the Pacific coast	OMF
modifying and streamlining the <i>Water Act</i> and related legislation	WS	maximizing opportunities for partnerships with First Nations, local communities, non-profit groups and private land owners	ES	ensuring that federal management and international relations reflect provincial objectives for marine fisheries	OMF
valuing water appropriately by recognizing its full range of benefits	WS	developing and implementing market strategies to promote healthy living through park visitation	ES	representing B.C.'s interests to ensure the seafood sector's fair share of federal and cross government programs, initiatives and activities to promote research, exports and investment	OMF
continuing to promote water conservation and demand-side management measures	WS				
continuing to ensure timely response to water licence applications to support economic development	WS			undertaking programs and strategies to enhance the competitiveness and sustainability of B.C.'s seafood products in domestic and export markets	OMF
promoting and facilitating multi-stakeholder airshed and watershed management plans	EP/WS				
Performance Measures		Performance Measures		Performance Measures	
Number of water or watershed management plans completed and implemented (WS)		- Number of recorded park visits and visitor satisfaction rate (ES) - Number of basic hunting and angling licenses sold (ES)		Number of marine-based commercial and recreational fisheries managed through a collaborative decision-making process (OMF)	

Responsibility – the Core Business Area primarily responsible for the strategy.

Core Business Areas: **ES** — Environmental Stewardship; **WS** — Water Stewardship; **OMF** — Oceans and Marine Fisheries;

EP — Environmental Protection

Appendix H (EAO): Certified Projects from April 1, 2005 – March 31, 2006

The table below details the four projects that were issued an Environmental Assessment Certificate by the Minister during the fiscal year 2005/06.

Project (proponent)	Location	Investment (\$million)	Jobs (Operating)	Date Certified
Whistler Nordic Centre (Vancouver 2010)	Callaghan Valley	100	53	April 7, 2005 (178-day review)
Richmond/Airport/Vancouver Rapid Transit (Canada Line Rapid Transit)	Lower Mainland	1720	140	June 7, 2005 (124-day review)
Orca Sand and Gravel (Polaris Minerals)	4 km west of Port McNeil	60	50	July 13, 2005 (161-day review)
Red Chris Porphyry Copper- Gold (Red Chris Development Company Ltd.)	18 km southeast of Iskut	228	250	Aug. 24, 2005 (186-day review)

Appendix I (EAO): Projects in the Review Process from April 1, 2005 – March 31, 2006

The table below outlines the 17 projects under review in the 180-day period during the fiscal year 2005/06.

Project (proponent)	Description of Project	Location	Investment (\$million)	Jobs (operating)	Status of Review
Energy					
Cascade Heritage Power (Powerhouse Developments Inc.)	Construction of a hydro-electric power generating facility and associated historic park and museum.	Near Christina Lake	24	3	Review suspended at proponent's request on July 15, 2005. Review resumed on March 27, 2006.
Dokie Wind Farm (Dokie Wind Energy Inc.)	Construction of a new wind farm with a nominal capacity of 300 MW with a preliminary layout of 200 1.5 MW turbines.	South of W.A.C. Bennett Dam located in northeast B.C.	600	30	Expected to be referred to ministers for decision by late summer 2006.
Toba Inlet Montrose Creek Project (Plutonic Power Corporation)	The proposal consists of: a transmission line, the East Toba River hydro-electric project and a Montrose Creek hydro-electric project.	100 km north of Powell River	250	13	Expected to be referred to ministers for decision by late summer 2006.
Inland Pacific Pipeline Connector	Proposing 237 km of pipeline	Between Oliver and Huntington	495	15	Awaiting supplementary information from proponent
Kitimat LNG (Kitimat LNG Inc.)	Construction of a liquid natural gas (LNG) terminal.	14 km south of Kitimat	500	50	Project was referred to ministers for decision in April 2006.
Kwoiek Creek Hydro-electric (Kwoiek Creek Resources Inc.)	Construction of an 80 MW hydro-electric project and supporting infrastructure.	Fraser Canyon, 22 km south of Lytton	90	6	Awaiting supplementary information from proponent.

Appendix I: Projects in Review Process from April 1, 2005 – March 31, 2006 (continued)

Project (proponent)	Description of Project	Location	Investment (\$million)	Jobs (operating)	Status of Review
Revelstoke Unit 5 Generation Project (BC Hydro and Power Authority)	Construction and operation of a fifth generating unit at the Revelstoke Generating Station.	Columbia River at Revelstoke	140	0	Proponent preparing to submit a supplement to the application in June 2006.
Upper Harrison Water Power Project (Cloudworks Energy Inc.)	The project includes four interconnected river hydro-electric projects.	60 km northwest of Harrison Hot Springs	262.5	20	EAO received application for review on February 11, 2006.
Wartenbe Wind Farm	Construction of a new wind farm with a capacity of 94 MW and a layout of 50 2.0 MW turbines over a 760 hectare area	10 km southeast of Chetwynd	140	9	EAO received application for review on January 18, 2006.
Mining					
Brule Mine Project (Western Canadian Coal)	Open-pit coal mine, waste rock dumps, crushing facilities and coarse wash plant.	57 km south of Chetwynd	200	150	EAO received application for review on December 10, 2005
Cariboo Gold Mine (International Wayside Gold Mines Ltd.)	Construction of an open-pit gold mine and associated infrastructure.	Adjacent to Wells	60	50	Awaiting supplemental report.
Prosperity Gold-Copper (Taseko Mines Ltd.)	Construction of an open-pit gold and copper mine.	125 km southwest of Williams Lake	900	650	Awaiting supplementary information.
Swamp Point Aggregate Mine	Construction of a sand and gravel pit.	50 km south of Stewart	25	30	Preparing to be referred to ministers.
Tourist Destination Resorts					
Garibaldi at Squamish Mountain Resort Development (Garibaldi at Squamish Inc.)	Development of an all-seasons mountain resort destination.	13 km north of Squamish	238	620	Awaiting additional information.

Project (proponent)	Description of Project	Location	Investment (\$million)	Jobs (operating)	Status of Review
Transportation					
Deltaport Third Berth (Vancouver Port Authority)	Expansion of existing port terminal.	Lower Mainland – Roberts Bank	272	360	VPA requested a timeline suspension, which was granted on the 134th day, and the timeline resumed on February 13, 2006.
Waste Disposal					
Ashcroft Ranch Landfill Project (Greater Vancouver Regional District)	A proposed solid waste landfill with a 100-year lifespan.	Ashcroft Ranch – near Ashcroft	75	110	Assessment suspended on June 7, 2005 pending completion of a Solid Waste Management Plan.
Water Management					
Chemainus Wells Water Supply Project (District of North Cowichan)	The project includes three groundwater wells, approximately 4,000 metres of water main, and a new 4.54 million litre concrete reservoir.	Chemainus	3.62	N/A	Awaiting supplementary information from proponent.

Appendix J (EAO): Projects in the Pre-Application Stage from April 1, 2005 – March 31, 2006

The table below outlines the 29 projects involved in pre-application during the fiscal year 2005/06.

Project (proponent)	Description of Project	Location	Investment (\$million)	Jobs (operating)
Energy				
Bear Mountain Wind Park (Bear Mountain Wind LP)	120 MW wind park.	16 km southwest of Dawson Creek	240	N/A
KSL Pipeline Looping (Pacific Northern Gas Inc.)	Construction of a new 500 km, 24" natural gas pipeline.	Kitimat to Summit Lake B.C.	750	N/A
McGregor/Herrick Hydro- electric (TransCanada Energy Ltd)	49.8 MW hydro-electric facility on the McGregor River and a 33.2 MW hydro-electric facility on Herrick Creek and approximately 110 km of transmission line.	120 km northeast of Prince George	200	6
MacKenzie Green Energy Centre (MacKenzie Green Energy Corp)	Construct a new biomass cogeneration project capable of producing up to 65 MW of power.	Mackenzie, B.C.	230	20
Nahwitti Wind Power Project (Nomis Power Corp.)	New wind farm, operating 25 wind turbines.	50 km northwest of Port Hardy	900	7
Nai Kun Wind Farm (Nai Kun Wind Development Inc.)	700 MW wind turbine project.	Queen Charlotte Islands (offshore)	1,600	50
Princeton Wood Residue and Coal Power (Compliance Energy Corp.)	56 MW wood residue and coal fired power plant at the Similco mine site.	14 km south of Princeton, B.C.	200	40
South Meager Geothermal Project (Western Geopower Corp.)	New geothermal power generation plant with transmission line.	55 km northwest of Pemberton	276	45
Vancouver Island Cable (Sea Breeze Victoria Converter Corp.)	120 km high voltage (550 MW) direct current light transmission system between Vancouver Island and the lower mainland.	Between Surrey and Victoria	302	N/A

Project (proponent)	Description of Project	Location	Investment (\$million)	Jobs (operating)
Vancouver Island Transmission Reinforcement Project (British Columbia Transmission Corporation)	Proposal to replace and upgrade existing 138 kV facilities connecting southern Vancouver Island to the Lower Mainland.	Delta to Duncan	210	N/A
Waneta Hydro-electric Expansion (2003) (Columbia Power Corporation)	Proposed new 435 MW hydro- electric generation station on the right bank of the Pend d'Oreille River.	17 km south of Trail	300	5
Mining				
Bear River Gravel Project (Beacon Ventures Inc.)	Gravel extraction from the Lower Bear River with a facility to alleviate the increasing threat of flooding to the District of Stewart.	Lower Bear River	20	40
Cogburn Magnesium (North Pacific Alloys Ltd.)	New quarry and magnesium facility.	Hope	1300	490
Davidson (Blue Pearl Mining Limited)	Underground molybdenum mine with an anticipated production of 2,000 tonnes per day with an expected mine life of 9 years.	9 km northwest of Smithers, B.C.	N/A	150-200
Galore Creek Gold/Silver/ Copper Mine (SpectrumGold Inc.)	Copper and gold project with a production capacity between 30,000 and 60,000 tonnes per day. Expected mine life of 25 years.	Northwest British Columbia 75 km northeast of Eskay Creek Mine	1400	525
Hills Bar Aggregate Quarrying (Qualark Resources Inc.)	New aggregate quarry. Anticipated timing for submitting application is uncertain.	Hills Bar, near Yale	6.5	25
Horizon Coal Mine (Hillsborough Resources Limited)	Several open-pit coal mines with an estimated production capacity of 1.6 million tonnes per year. Expected mine life of 20 years.	Northeast B.C., 25 km southwest of Tumbler Ridge	30	200
Kemess North Copper Gold (Northgate Minerals Corporation)	Open-pit copper-gold mine with a production of 75,000 tonnes.	250 km northeast of Smithers	193	528

Appendix J: Projects in the Pre-Application Stage from April 1, 2005–March 31, 2006
(continued)

Project (proponent)	Description of Project	Location	Investment (\$million)	Jobs (operating)
Kutcho Creek (Western Keltic Mines Inc.)	Copper-zinc-silver-gold deposit with an anticipated production capacity of 1 million tonnes per year and a minimum mine life expectancy of 11 years.	100 km east of Dease Lake, B.C.	N/A	N/A
Lodgepole Coal Mine (Cline Mining Corp.)	2 million tonnes per year open pit coal mine and process facilities. Expected mine life of 12 years.	58 km south of Fernie and 35 km north of the international border with Montana	150	252
Morrison Copper Gold (Pacific Booker Minerals Inc.)	Copper and gold project with an estimated production of up to 9 million tonnes per year.	65 km northeast of Smithers	200	250
Mount Klappan Coal Project (Fortune Coal Limited)	Proposed open-pit mine to produce clean coal.	160 km northeast of Stewart	150	200
Ruby Creek Molybdenum Mine (Adanac Moly Corp.)	Open-pit molybdenum mine and a processing plan that would operate at 20,000 tonnes per day for over 20 years.	24 km northeast of Atlin	350	250
Sechelt Carbonate (Pan Pacific Aggregates Ltd.)	Large carbonate rock resource to produce chemical (calcium/magnesium) rock.	15 km north of Sechelt	100	100
Sustut Copper Project (Northgate Minerals Corporation)	Open-pit copper mine with a proposed 10 km haul road.	193 km northeast of Smithers	32	50
Transportation				
South Fraser Perimeter Road Project (Ministry of Transportation)	Construction of a four-lane highway along the south side of the Fraser River through Surrey and Delta.	Lower Mainland	900	N/A
Tourism				
Juliet Creek/Coquihalla Resort	An all-seasons resort consisting of a base village, golf course, ski lifts, spa and aquatic centre and eco-cultural activities.	Coquihalla Highway summit	500	1000

Project (proponent)	Description of Project	Location	Investment (\$million)	Jobs (operating)
Waste Disposal				
Highland Valley Centre (Highland Valley Copper Corporation)	Regional landfill proposed on a waste rock and overburden dump at the Highland Valley copper/molybdenum mine with a capacity of 50 million tonnes of municipal solid waste (up to 600,000 tonnes per year) from throughout southwestern B.C.	District of Logan Lake, 75 km southwest of Kamloops, B.C.	51	138
Water Management				
Terrace Green Street Well Project (Municipality of Terrace)	New municipal groundwater supply.	Terrace	1.6	N/A

Appendix K (EAO): Amendments to Projects from April 1, 2005 – March 31, 2006

The table below outlines the three amendments that were made to the Environmental Assessment Certificates during the fiscal year 2005 / 06.

Project (proponent)	Location	Description	Date
New Fraser River Crossing (Greater Vancouver Transportation Authority)	Lower Mainland	Amendment to change proponent name to Fraser Bridge Project Ltd. instead of GVTA.	June 27, 2005
Wolverine Coal (Western Canadian Coal Corp.)	Northwest of Tumbler Ridge	Amendment to change commitment #95 of vegetation clearing outside of migratory bird breeding season to allow for clearing of a small area provided birds are not impacted.	June 27, 2005
Richmond / Airport / Vancouver Rapid Transit (Canada Line Rapid Transit)	Lower Mainland	Amendment #1 Design changes to a segment of the Sea Island portion of the YVR segment of the RAV Line. Amendment #2 Design and construction refinements along Marine Drive and Cambie.	October 20, 2005 November 29, 2005

Appendix L: Environmental Assessment Office Discontinued Performance Measures

The Environmental Assessment Office removed the following performance measures to integrate its reporting with the Ministry of Environment Service Plan.

Measure 1

Performance Measure	Benchmark	2005/06 Target	2005/06 Actual	Variance	Target Met?
Value of the EAO's advice to the proponent during the pre-application stage	N/A	Baseline to be determined	82% *	N/A	N/A
Explanatory Information:	The indicator was for the objective "Continual improvement of provincial environmental assessment" as part of Goal 1: Efficient and Effective Delivery of Environmental Assessment in the September 2005 Service Plan Update. The measure was replaced in the February 2006 Service Plan with a more precise indicator, namely, the proponents' level of overall satisfaction with the environmental assessment process. The EAO relies on surveys of review participants to provide feedback on the environmental assessment process to determine where improvements are needed. The findings of the Client Satisfaction Surveys (2004 and 2006) are being reviewed to identify areas for improvements. *Average % of clients surveyed who either agreed or strongly agreed that EAO staff were knowledgeable and competent, that the client was informed of everything they had to do, and that staff went the extra mile to make sure the client got what they needed.				

Measure 2

Performance Measure	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Deregulation: reducing unnecessary red tape and regulation	56% reduction in regulatory requirement	No net increase in regulatory requirement	Zero % net increase	Zero % net increase	None	Yes
Explanatory Information:	The indicator was for the objective "Continual Improvement of Provincial Environmental Assessment" as part of Goal 1: Efficient and Effective Delivery of Environmental Assessment in the September 2005 Service Plan Update. The measure was discontinued in the February 2006 Service Plan and the EAO consistently met the target. The Government of British Columbia is committed to reducing unnecessary red tape and regulation by one-third within three years. The EAO continues its commitment to a zero % net increase.					

Measure 3

Performance Measure	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Internal policies and procedures are relevant and consistent with new environmental assessment direction	N/A	16 gaps were identified and addressed in the fiscal year	100% of gaps and redundancies addressed	100%	None	Yes
Explanatory Information:	The indicator was for the objective "Optimize delivery of environmental assessment" as part of Goal 2: Organizational Excellence in the September 2005 Service Plan Update. The EAO established policies and procedures to guide the environmental assessment process and regularly reviews these policies and procedures to ensure their continued relevance. The measure was discontinued in the February 2006 Service Plan after all gaps were identified and addressed. On an ongoing basis, when policy gaps or opportunities for improvement are identified, the EAO ensures they are addressed.					

Measure 4

Performance Measure	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Percentage of staff with an Employee Performance and Development Plan (EPDP)	100%	100%	100%	100%	None	Yes
Explanatory Information:	The indicator was for the objective "Optimize delivery of environmental assessment" as part of Goal 2: Organizational Excellence in the September 2005 Service Plan Update. The measure was discontinued in the February 2006 Service Plan. The target of 100 % of staff with an EPDP continues to be met. The plans make clear links to the ministry's service plan and identify the work outcomes for which an employee is accountable.					

Measure 5

Performance Measure	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Posting of public and agency comments on the EAO's electronic Project Information Centre (ePIC) within 7 days	N/A	100%	Maintain	100%	None	Yes
Explanatory Information:	The indicator was for the objective "Timely communication with all stakeholders" as part of Goal 2: Organizational Excellence in the September 2005 Service Plan Update. The measure was discontinued in the February 2006 Service Plan. The target of 100 % of comments are posted within 7 days continues to be met. It is the policy of the EAO that the records generated for the purposes of the assessment of a reviewable project are made accessible to the public through ePIC.					

Finance

*Ministry of
Finance and
Associated Entities*

**2005/06
Annual Service Plan Report**



The Best Place on Earth

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For more information on the British Columbia
Ministry of Finance, contact:

Ministry of Finance

PO BOX 9415
STN PROV GOVT
VICTORIA BC
V8W 9V1

or visit our website at
<http://www.gov.bc.ca/fin/>

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Message from the Minister and Accountability Statement

The first year of the Government's renewed mandate saw the Ministry of Finance continue its record of sound fiscal management, balanced budgets, and strengthening British Columbia's economy.

A strong economy and responsible fiscal management provide British Columbians the opportunity to act on our shared priorities. This is evident in new budget funding for seniors and children; new investments in schools, hospitals and roads; and new reductions to keep taxes fair and competitive.

British Columbia's fiscal plan supports the Five Great Goals with additional funding to generate better education outcomes, nurture a healthier population, support people in need, and ensure we continue to enjoy a clean, sustainable environment. It also backs a new and flexible approach to negotiating public sector contracts, an approach that has seen unprecedented success.

British Columbia continues to lead in timely and transparent financial reporting that meets the rigorous standards of Generally Accepted Accounting Principles. This is the second consecutive year that the Public Accounts received an unqualified review from the Auditor General.

The Province's strong fiscal management and transparency are among the reasons Standard and Poor's improved British Columbia's credit rating for the second time in 18 months, raising it to AA+ from AA. The upgrade cited the robust performance of British Columbia's economy, larger-than-expected budget surpluses, and the Province's low and declining debt to gross domestic product (GDP) ratio.

The Province continues to ensure debt remains affordable while investing in key infrastructure projects to support our growing economy and population. British Columbia invested \$3 billion in schools, post-secondary and health care facilities, and transportation infrastructure and other capital projects in 2005/06. At the same time, B.C.'s taxpayer supported debt to GDP ratio declined from 18.2 per cent to 16.2 per cent.

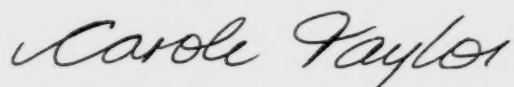
A fair and competitive tax regime also contributes to the Province's robust economy. Over the past year, the budget supported tax reductions targeted to low and modest income earners and enhanced Medical Services Plan premium assistance. It also introduced measures to enhance economic competitiveness and support job creation, including a reduced corporate income tax rate.

The new \$6 billion negotiating framework contributed to the successful negotiation of all contracts that were set to expire on or before March 31st. At March 31st, more than 55 agreements are in place covering more than 230,000 union and non-union public sector employees. The success of this initiative rests with the dedicated negotiators from both sides of the table. They were creative and flexible in reaching agreements that meet the needs of employers and employees, and will serve to improve public programs and services.

Effective, accurate and timely public communication is essential to keep British Columbians informed about government priorities and programs. The Province fosters dialogue on public priorities, and ensures British Columbia's powerful story is told here, across the country and around the world.

On behalf of British Columbians, I thank all ministry staff for their dedication and hard work of the past year. They produced two budgets, helped meet or exceed ministry and government goals, and contributed to the overall success of B.C.'s high-quality public services.

The 2005/06 Ministry of Finance Annual Service Plan Report compares the actual results to the expected results identified in the ministry's 2005/06 – 2007/08 Service Plan Update. I am accountable for those results as reported.



Honourable Carole Taylor
Minister of Finance

June 30, 2006

*Ministry of
Finance*

**2005/06
Annual Service Plan Report**



**BRITISH
COLUMBIA**

The Best Place on Earth



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Highlights of the Year

Fiscal Stewardship

- **Balanced Budgets:** The ministry played a central role in maintaining the government's balanced budget plan and achieving British Columbia's second consecutive budget surplus. The 2005/06 Public Accounts recorded a \$3.1 billion surplus, \$1.8 billion higher than originally estimated in the September Budget Update. The improvement reflected stronger than expected revenues, lower debt service costs and savings in ministry budgets, offset by negotiating framework incentive payments.
- **On-going Balanced Budgets:** The ministry continued to maintain government's commitment to balancing the budget on an ongoing basis. On February 21, 2006, government tabled a fiscal plan in the Legislature with planned surpluses of \$600 million in 2006/07, \$400 million in 2007/08 and \$150 million in 2008/09. These planned surpluses will be achieved while increasing funding for health care, education, services for children, and compensation for public sector employees, and ensuring a competitive taxation system in BC.
- **Debt Reduction:** For the second consecutive year, British Columbia's total debt declined. Total debt for 2005/06 was \$34.4 billion, a \$1.5 billion reduction from the year previous.
- **Taxpayer Supported Debt to GDP Ratio:** Lower debt levels and a robust provincial economy also served to reduce B.C.'s taxpayer supported debt to GDP ratio — a key measure of debt affordability. The debt to GDP ratio fell to 16.2 in 2005/06, down from 18.2 the year previous.
- **Credit Rating Upgrade:** The province received its fourth credit rating upgrade since 2004. Standard and Poor's upgraded its rating of British Columbia from AA to AA+, citing a robust economy, a low and declining debt to GDP, and larger than planned budget surpluses.

Support for a strong economy

- **Competitive Tax Environment:** The September Budget Update confirmed \$1.4 billion in tax reductions to keep British Columbia's taxes fair and competitive. These included new measures targeted to low and modest income earners, including the B.C. Tax Reduction, the lower PST rate, and enhanced MSP premium assistance. New measures to enhance British Columbia's economic competitiveness and support job creation included: a reduction in the general corporate income tax rate to 12 per cent from 13.5 per cent, an improvement to the small business income tax threshold, and a tax incentive for the international commercialization of life science patents to support B.C.'s growing stature as a centre for biotechnology research and development.
- **Increased Business Registrations:** Bolstered by the strong economy and availability of online business registration, new registrations increased by over 10 per cent.

- **Technological Innovation and Online Service Delivery:**

- By the end of 2005/06, nearly 98 per cent of the estimated 200,000 B.C. companies completed the transition to British Columbia's new electronic corporate registry. This two-year process successfully moved the registration of B.C. companies from a paper-based approach to a self-serve, electronic registry. The new registry provides significant cost savings for taxpayers, more timely and accurate filings, and real time registration for companies.
- OneStop is an integrated e-government service that allows businesses in B.C. to register with several government agencies at once, be numbered, seek name approval, and change their address. OneStop's 24 hours a day, seven days a week online service became available to the public in June 2005 and new partners and access providers joined the program. By the end of 2005/06, OneStop had already reached a milestone 100,000 filing transactions.

Financial Reporting

- **Accurate Financial Reporting:** The annual Public Accounts released in June 2005 were the first in eight years that did not contain a statement of qualification by the provincial auditor and were fully GAAP-compliant, including information from school districts, universities, colleges, and health authorities (the SUCH sector). Fiscal 2005/06 is the second year in succession that the Auditor General has accepted the accuracy of the Public Accounts of the government without reservation.

Financial Reporting and Resource Management

- **New Public Sector Negotiating Framework:** The ministry set out a \$6 billion, multi-year negotiating framework to guide public sector labour agreements. As of March 31, 2006 negotiators reached 55 agreements covering 75 per cent of British Columbia's 308,000 public sector workers. All agreements extended four years or more in duration and the vast majority received ratification approvals in excess of 90 per cent. Major components include:
 - \$1 billion as an incentive to reach new agreements before the expiry of current agreements;
 - \$4.7 billion over four year (2006/07 – 2009/10) for annual compensation increases; and
 - up to \$300 million dividend in 2009/10 for agreements that extend to March 31, 2010 or later, subject to the surplus exceeding \$150 million
- **Procurement Management Award:** The Office of the Comptroller General won the national Summit Award for the government's Procurement and Contract Management Program, and was selected as a finalist for the Premiers Award in the category "Promoting Innovation and Excellence" for a project that moved government toward a fully integrated Electronic Procurement system.

- **A Leader in Auditing:**

- The Payment Review Office (PRO) in the Office of the Comptroller General is a leader in Canada in performing post-payment expenditure reviews. In 2005/06, the PRO's review system saved the government in excess of \$10 million in accounts payable processing time.
- Internal Audit and Advisory Services conducted "first in Canada" joint audits with the federal government; joint audits reduced the disruption to government agencies, reduce costs, and provided a more comprehensive view to both governments.

- **Lower Debt Service Costs:** Debt service costs on the taxpayer supported debt portfolio were \$96 million lower than the prior year.

- **A progressive, engaged, knowledgeable workforce:** As part of its workforce planning strategy, the ministry has identified the need to develop innovative recruitment and retention strategies to meet forecasted retirement and succession planning requirements:

- By providing challenging, interesting work, supporting development opportunities and promoting employee involvement in planning activities the ministry improved organizational performance and employee job satisfaction through increased staff engagement. Connecting employees to the activities of the ministry through an integrated planning framework has strengthened the linkages between individuals and ministry objectives. The development of a detailed business plan has integrated day-to-day employee activities with the strategic direction of the ministry. Employees contribute to ministry planning activities through participation in program area planning sessions, attendance at informal discussion forums held by the ministry Executive and participation in ministry human resource planning initiatives. These strategies have resulted in a 14 per cent increase in performance relating to employee engagement across the ministry.
- The Graduate Development Program was developed and successfully piloted for Treasury Board Staff. This targeted approach recruits talented university graduates into a two-year program to prepare for management and leadership positions within the ministry and throughout the British Columbia Public Service. The Graduate Development Program provides development opportunities, including job rotation to allow candidates exposure and determine where they best fit. The ministry has also taken on a stronger outreach role, conducting site visits to BC universities to promote the GDP and co-op opportunities, as well as conducting visits to career fairs. In 2006/07 the ministry will continue to build partnerships with academic and financial institutions, including continuation of the Graduate Development Program.

Purpose, Vision, Mission and Values

Purpose

The Ministry of Finance plays a key role in establishing, implementing and reviewing government's economic, fiscal and taxation policies and continues to focus on the priorities that will ensure the Province's success in meeting its fiscal objectives and, thereby, supporting the achievement of the Five Great Goals.

Vision, Mission and Values

Vision

To be leaders in sound fiscal and economic management and governance.

Mission

To provide sustainable fiscal policies and regulatory frameworks that support a strong and vibrant provincial economy.

Values

In pursuit of our vision and mission, members of the ministry will act in accordance with the following values:

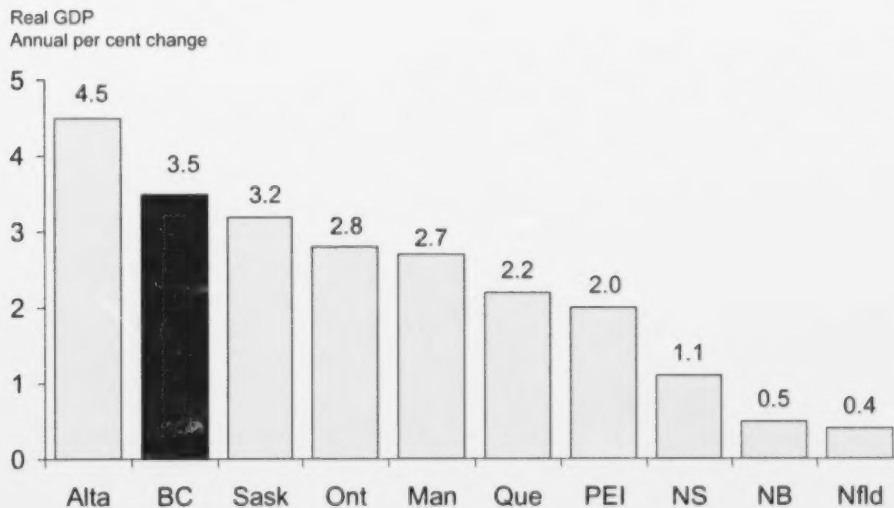
<i>Accountability</i>	<i>To enhance efficiency, effectiveness and value in public service.</i>
<i>Integrity</i>	<i>To conduct ourselves in an ethical, honest, consistent and professional manner.</i>
<i>Responsibility</i>	<i>To deliver affordable client-centred service and stewardship on behalf of citizens.</i>
<i>Respect</i>	<i>To treat those we serve, and each other, with courtesy, fairness, dignity and trust.</i>
<i>Innovation</i>	<i>To foster creativity and performance in the delivery of quality services.</i>

Strategic Context

Provincial Economy

British Columbia's real GDP grew by a solid 3.5 per cent in 2005, slightly faster than the 3.4 per cent growth rate forecast in the September Budget Update. Strong consumer spending and investment helped make B.C.'s growth the second fastest in the country, behind Alberta's 4.5 per cent expansion. B.C.'s economic growth was accompanied by a marked drop in the unemployment rate and strong labour income growth, supporting robust consumer spending and residential construction growth.

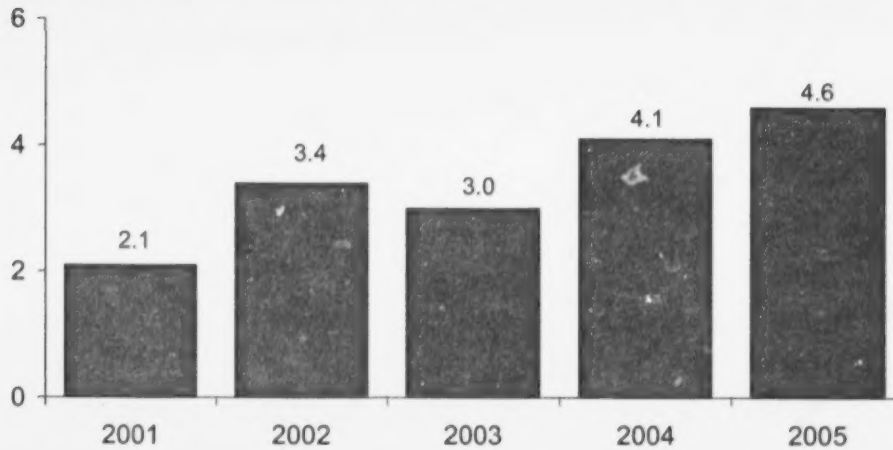
BC Real GDP



Source: Statistics Canada

BC Consumer Spending

Real Personal Expenditure on Goods and Services
Annual per cent change



Source: Statistics Canada

Further information on the B.C. financial and economic outlook may be found in the Budget and Three-Year Fiscal Plan released with the February Budget.

External Factors

Risk	Mitigation
Globalization of economic and financial markets will increase competition for investment.	Develop taxation and financial and corporate regulatory policy, which reinforces British Columbia's position as an attractive place to invest and create jobs. Build upon the Province's strong fiscal and economic record by maintaining at least a Aa1 credit rating (second highest available), and continue to employ an investor relations program to ensure the domestic and international financial community is fully apprised.
Economic shocks and commodity price fluctuations (e.g., natural gas and oil prices, rapid appreciation of the Canadian dollar, the mountain pine beetle infestation, forest fires, labour shortages, booming construction markets and trade disputes such as softwood lumber) could affect forest revenues, personal and corporation income taxes and other revenues as well as increase government expenditures.	Use prudent assumptions in the preparation of the budget.
The legislated implementation of Generally Accepted Accounting Principles (GAAP) means that the Province will need to continue to keep up with the most recent accounting standards, which are set by the independent national Public Sector Accounting Board.	Continue to work closely with the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, the Auditor General of British Columbia and the Accounting Policy Advisory Committee on early identification of accounting issues and develop a strategy to appropriately implement GAAP.

Internal Factors

Risk	Mitigation
An aging workforce presents significant succession and recruitment challenges.	Continue to support staff professional and career development, including tailored development programs; training courses; employee exchange programs; mentoring programs; and Employee Performance and Development Plans for all employees. Continue to implement recruitment and retention plans, including marketing of interesting and progressive career opportunities; university outreach; partnering with institutions and financial communities; continuing the Graduate Development Program; recognition programs; career planning; and flexible work arrangements.

Opportunity	Initiative
Technological innovations provide opportunities for greater efficiencies and productivity.	Systematic reviews of existing and future information management systems to realize economies of scale, reduced duplication and cost savings.
The Government of British Columbia has adopted Enterprise-wide Risk Management as the framework for strategic and operational decision-making to effectively manage potential opportunities and adverse effects.	Continue to integrate Enterprise-wide Risk Management practices into ministry's operational and decision-making activities including the development of the service plan and audit plan.
The ministry's Integrated Planning Framework consolidates and streamlines the various planning activities, enhancing the ministry's resource capacity.	Apply the Integrated Planning Framework to the ministry's operational planning activities. Continuously seek opportunities to improve efficiencies in planning activities.

Linkage to the Five Great Goals

The Ministry of Finance contributes to the Five Great Goals by creating a sustainable fiscal environment and supporting a strong and vibrant economy that attracts investment, creates jobs, and provides government with the means to address its education, health, support system and environmental sustainability priorities as set out in the following Five Great Goals:

1. Make British Columbia the best-educated, most literate jurisdiction on the continent.
2. Lead the way in North America in healthy living and physical fitness.
3. Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk, and seniors.
4. Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.
5. Create more jobs per capita than anywhere else in Canada.

Cross Ministry Initiatives

The ministry plays an integral role in multiple cross ministry initiatives through its overarching fiscal, economic and governance responsibilities. Major cross ministry initiatives include:

Public sector negotiating framework

- Establish appropriate and sustainable compensation levels.

2010 Olympic and Paralympic Winter Games

- Provide support to the Ministry of Economic Development by:
 - a) Providing support to the Olympic Games Secretariat to assist with implementation and ongoing management of appropriate risk management systems.
 - b) Acting as the primary contact with the Auditor General, assist with issue identification, and management and resolution of accounting and audit items.
 - c) Assisting ministries and Crown agencies to ensure they have appropriate business continuity plans to support their involvement in the Games.

Service Delivery and Core Business Areas

Service Delivery

Key financial statutes for which the ministry is administratively responsible include the: *Financial Administration Act*, *Budget Transparency and Accountability Act*, *Balanced Budget and Ministerial Accountability Act* and *Financial Information Act*. These statutes: establish the framework and limits for accounting and financial activity; ensure the right of the public to open and accountable annual budgets and complete disclosure of all the assumptions upon which fiscal forecasts and provincial budgets are based; prohibit annual deficits commencing with the 2004/05 fiscal year, require ministries and Crown corporations to annually release three-year service plans, with concrete goals and performance measures, and to report publicly against those plans each year; and require certain Crown corporations and other public bodies to annually publish information on employee remuneration and supplier payments.

The ministry provides banking, accounting, financial and economic planning and reporting, internal audit, risk and debt management services. The ministry also develops tax policy and policy related to intergovernmental fiscal relations, develops policy for regulating the financial and real estate sectors, develops the framework for government's management of its Crown corporations, sets public sector bargaining mandates, is developing a fiscal framework to support the new relationship with First Nations, oversees effective financial and management practices and controls, serves as the registrar of corporate entities, personal property and manufactured homes, supports performance management and provides other related services. Ministry publications include the annual Budget and Fiscal Plan, Financial and Economic Review, *Estimates*, Budget Consultation Paper, Public Accounts and quarterly reports for the Province. These documents are available at:

<http://www.fin.gov.bc.ca/pubs.htm>.

Ministry clients include: Treasury Board, Cabinet, ministries, agencies, boards, and commissions (see Appendix 2 for a list of agencies, boards, and commissions for which the Minister of Finance is responsible), businesses, investors and financial-sector agencies and public sector employers' associations. Through its support of the government's Strategic Plan, the ministry also broadly serves the people of British Columbia.

Core Business Areas Overview

Following the 2005 election the ministry was structured into eight core business areas each of which had specific responsibilities for the provision of programs and services to achieve its goals and objectives. Information in this report is presented according to the September 2005 Service Plan Update. In October 2005, a new Strategic and Corporate Policy Division was created in the Ministry (Appendix 4).

1. Crown Agencies Secretariat

Develops a framework for government's management of its Crown corporations and provides advice, information and support to improve good governance and accountability for results. During 2005/06 this area was supported by \$1.5 million and 10 FTEs.

2. Financial and Economic Performance and Analysis

Provides fiscal, economic and tax policy analysis and advice that supports the achievement of balanced budgets, improves the province's competitiveness and sustains cost-effective public services. This area is led by Treasury Board Staff and in 2005/06 was supported by \$6.4 million and 65 FTEs.

3. Financial Governance, Accounting and Reporting

Assures the accuracy and integrity of provincial public sector financial reporting and maintains a framework of best practices, including internal audit, for financial and procurement management. This area is led by the Office of the Comptroller General and in 2005/06 was supported by \$6.7 million and 117 FTEs.

4. Treasury

Provides British Columbians with the benefits of cost-effective cash and debt management and banking services, resulting in lower expenditures and improved online government services through electronic banking support. Recoveries are from ministries, government bodies and other organizations receiving those services. This area is led by Provincial Treasury Operations and during 2005/06 was resourced through a \$1,000 Vote with the support of 74 FTEs.

5. Financial and Corporate Sector Services

Ensures that the province's financial services sector is reliable, competitive and enjoys the confidence of British Columbians. Personal property and corporate registry services that meet the needs of the marketplace are also provided. This area is led by the Financial and Corporate Sector Policy Branch, the Financial Institutions Commission and Corporate and Personal Property Registries and during 2005/06 was supported by \$1.6 million and 144 FTEs.

6. Public Sector Employers' Council

Fosters an efficient and effective workforce through the coordination of public sector labour relations policies and practices and establishes an affordable mandate for public sector compensation and ensures compliance with it. This area is led by the Public Sector Employers' Council and affiliated Employers Associations and during 2005/06 was supported by \$14.6 million and 13 FTEs.

7. Risk Management

Reduces accidental and business losses in the provincial public sector through the development of comprehensive risk management and self-insurance programs. This area is led by Risk Management Branch, which recovers all of its expenses from clients, and during 2005/06 was supported by 46 FTEs.

8. Executive and Support Services

Provides strategic leadership and corporate support services that contribute to the success of all core business areas. During 2005/06 this area was supported by \$15.8 million and 145 FTEs.

Ministry Organization



Report on Performance

Overview of Ministry Goals and Linkage to Government Strategic Goals

The ministry supports the Five Great Goals by creating a strong economy and balanced budgets; thereby, providing the means to develop excellence in education, promote healthy living, support people at risk, protect our environment and create jobs for British Columbians. The figure below illustrates how the ministry's goals and objectives are aligned with, and contribute to, the success of government's Five Great Goals.

Performance Plan Summary Table

Synopsis of Ministry Performance Measure Results

Five Great Goals	Ministry Mission To provide sustainable fiscal policies and regulatory frameworks that support a strong and vibrant provincial economy.			
	Ministry Goals	Ministry Objectives	Performance Measures / Indicators	Results
Continuing government's commitment to affordability and fiscal responsibility, and, thereby, positioning the province to achieve the Five Great Goals. ¹	1. Maintain a balanced budget annually.	1. Effective management of government's fiscal plan.	Achieve annual targets for provincial budget. Taxpayer supported debt to GDP ratio. Provincial credit rating.	Achieved Achieved Achieved
	2. A tax and regulatory climate that supports a strong and vibrant economy.	1. A fair and competitive tax environment.	Provincial ranking of personal income tax rates for the bottom two tax brackets. Provincial ranking of the top personal marginal tax rate.	Achieved Achieved
		2. Efficient and effective financial and corporate regulatory frameworks and services that protect the public interest.	Number of regulatory requirements. Percentage annual growth in business registrations. Percentage of company incorporations and registrations filed electronically.	Exceeded Exceeded Achieved
	3. Effective financial and resource management and reporting.	1. Effective risk-based cash and debt management.	Debt service costs.	Achieved
		2. Enhance risk-based management of government's resources.	Annual savings from self insurance. Risk-based savings. Risk Management Maturity Model Rating.	Exceeded Exceeded Achieved
		3. Transparent and accountable financial and procurement policies and practices.	Stakeholders' satisfaction with the policy framework for financial and procurement management. Percent responses to ministerial correspondence within two weeks.	Mostly Achieved Missed
	3. Effective financial and resource management and reporting.	4. Meet statutory reporting requirements and comply with GAAP in all material respects.	Full implementation of GAAP. Delivery date for annual Public Accounts.	Achieved Achieved
		5. Crown corporations are publicly accountable to taxpayers both in the delivery of their programs and services and in fiscal management.	Shareholder's Letters of Expectations in place or proposed to Responsible Ministers and Chairs for all Crown corporations.	Mostly Achieved
		6. Effective management of public sector labour relations and human resource strategies.	Public sector cost changes over 2002/03 compensation base.	Exceeded
	4. A leader in innovative business and people practices.	1. Performance-focused workforce.	Percentage of staff with a formal Performance Review.	Missed
		2. Learning and innovative organization.	Percentage of staff who agree they have adequate opportunities to develop their skills.	Missed

¹ The Five Great Goals are:

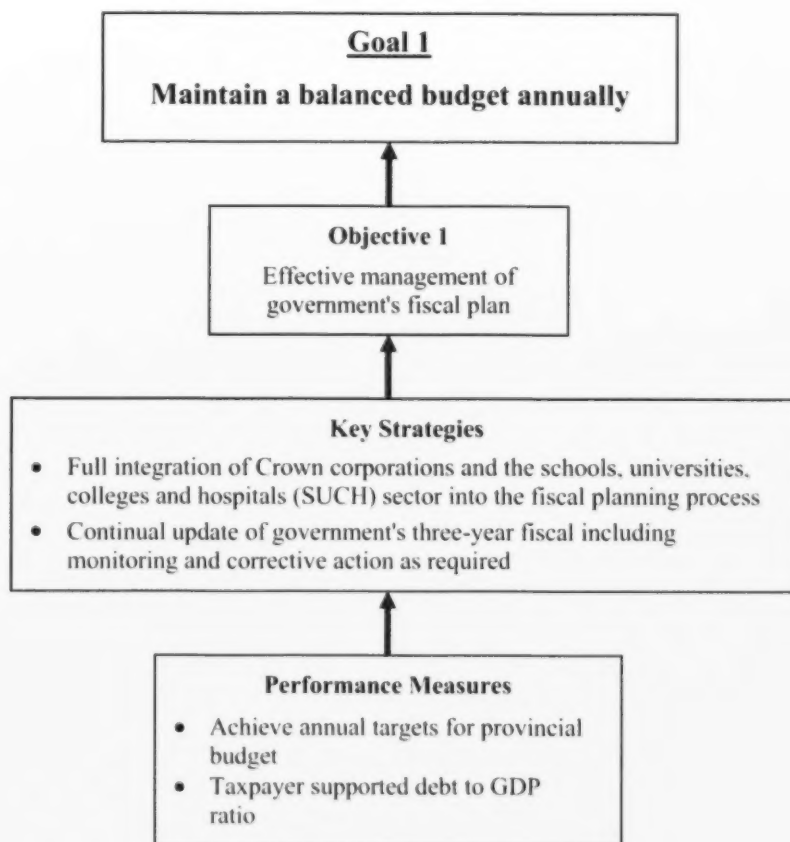
1. Make British Columbia the best educated, most literate jurisdiction on the continent.
2. Lead the way in North America in healthy living and physical fitness.
3. Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk, and seniors.
4. Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.
5. Create more jobs per capita than anywhere else in Canada.

Goals, Objectives, Strategies and Performance Measures

Ministry Goal 1

Maintain a balanced budget annually.

The *Balanced Budget and Ministerial Accountability Act* requires that all provincial budgets must be balanced (i.e., either a positive surplus or zero balance; budget deficits are prohibited). This requirement supports sound fiscal management and is a cornerstone in maintaining confidence in British Columbia's economy as well as providing a stable foundation on which to sustain and enhance the delivery of public services. It supports a strong and vibrant economy and provides the means to develop excellence in education, promote healthy living, support people at risk, protect our environment, and create jobs for British Columbians. Fiscal responsibility today means that the cost of current public services will not be passed on to future generations.



Objective 1. Effective management of government's fiscal plan.

Core Business Area: Financial and Economic Performance.

Development and maintenance of a prudent and resilient fiscal plan is critical to government's ability to balance the provincial budget annually. The ministry plays a critical role in overseeing the fiscal plan and works closely with ministry and other public sector partners to ensure that government's annual and three-year revenue and expenditure targets are met.

Strategies

In 2005/06 the following key strategies were used to achieve the objective:

1. full integration of Crown corporations and the schools, universities, colleges and hospitals (SUCH) sector into the fiscal planning process:
 - a. the fiscal planning process in 2005/06 included the establishment of revenue and expenditure targets for Crown corporations and SUCH sector agencies.
2. continual update of government's three-year fiscal plan including monitoring and corrective action as required:
 - a. the ministry prepared a three-year fiscal plan, which government tabled in the Legislature on February 21, 2006. This plan included projected surpluses of \$600 million in 2006/07, \$400 million in 2007/08 and \$150 million in 2008/09.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Achieve annual targets for provincial budget.	\$2.6 billion deficit	\$1.2 billion deficit	\$2.7 billion surplus	The balanced budget target in the September Budget Update was a \$1.3 billion surplus ¹	\$3.1 billion surplus	\$1.8 billion	Target exceeded
Selection Rationale 1. The "balanced budget" performance target is defined as the amount in the September Budget Update, a \$1.3 billion surplus. Government's ability to balance the budget and adhere to its fiscal plan is measured by a comparison of actual expenses and revenues (as detailed in the Public Accounts) with budgeted spending and revenue targets (as detailed in the <i>Estimates</i>) at both the ministry and overall government levels. If the actual surplus meets or exceeds budgeted surplus for year, then the performance measure has been achieved. The achievement of annual and three-year targets outlined by ministries in their Service Plans provide a meaningful status report on the government's commitment to maintain a balanced provincial budget. Treasury Board Staff will work with the respective ministries, Crown corporations, agencies, school districts, universities, colleges and institutes and health care organizations (the SUCH Sector) to monitor progress in meeting the approved spending and revenue targets.							
Variance Explanation The target was exceeded, mainly due to stronger than expected taxation revenues supported by improvements in natural resource revenues, lower interest costs and other expenditure savings.							
Data Sources Budget and Three-Year Fiscal Plan Ministry and Crown corporation and agency Service Plans and SUCH sector forecast — overall spending targets <i>Estimates</i> — detailed spending information for the year ahead Quarterly reports — forecast prepared by Ministries, Crown corporations and agencies and the SUCH sector Public Accounts — annual summary of actual government spending and revenues The Office of the Auditor General will audit the year-end financial statements for government and thus validate the results reported in the Public Accounts.							
Changes to the Measure The baseline figures have been changed to reflect changes in accounting policy.							

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Taxpayer Supported Debt to GDP Ratio.	21.3%	20.6%	18.2%	Annually reduce the taxpayer supported debt to GDP ratio	16.2%	2.0%	Target achieved
Selection Rationale Maintaining a relatively low taxpayer-supported debt to GDP ratio signifies a healthy balance sheet and effectively means affordable debt levels. Rating agencies rely on this balance-sheet measure as a key credit rating consideration. Success in meeting the target is determined by comparing British Columbia's taxpayer supported debt to GDP performance from the current year to the previous year as calculated in the Public Accounts. The target is achieved if the current year's Taxpayer Supported Debt to GDP ratio is lower than the previous year's ratio.							
Variance Explanation This target was exceeded due to lower debt levels and higher economic performance than in the previous year.							
Data Sources The Public Accounts							
Changes to the Measure The measure has been renamed to "Taxpayer Supported Debt to GDP Ratio" from "Debt to GDP Ratio" to more accurately describe the measure.							

Note: See provincial comparison of taxpayer supported debt as a percentage of GDP in Appendix 5.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Provincial credit rating (Moody's).	Aa2	Aa2	Aa1	Aa1	Aa1	None	Target achieved
Selection Rationale The interest rate paid by the Province when it borrows in the domestic and international capital markets will be lower the higher the credit ratings supplied by third party agencies. In determining a credit rating, agencies consider the borrower's ability to promptly pay the interest and principal due based upon the borrower's balance sheet and income statement. In the case of the Province, rating agencies evaluate debt as a percentage of GDP, and the significance of interest owing as a percentage of gross receipts. Moody's rates bonds in descending alphabetical order from A to C - highest to lowest. (Aaa, Aa, A, Baa, Ba, B, Caa, Ca, C) The Aa rating is provided to those public and private sector organizations that offer excellent financial security and are generally considered high investment-grade entities. The Aa rating is further subdivided into Aa1, Aa2 and Aa3, with Aa1 being a higher rating than Aa2, and Aa2 higher than Aa3. If the provincial credit rating is equal to or better than the target level for the Moody's rating, the performance measure has been achieved.							
Variance Explanation No variance — target met. Note: Moody's confirmed the Province's Aa1 credit rating with a stable outlook in April 2006. Standard and Poor's increased the Province's credit rating from AA to AA+ in March 2006, in line with Moody's rating of the Province.							
Data Sources Moody's Investors Service ratings							
Changes to the Measure None							

Note: See table of comparative provincial credit ratings in Appendix 5.

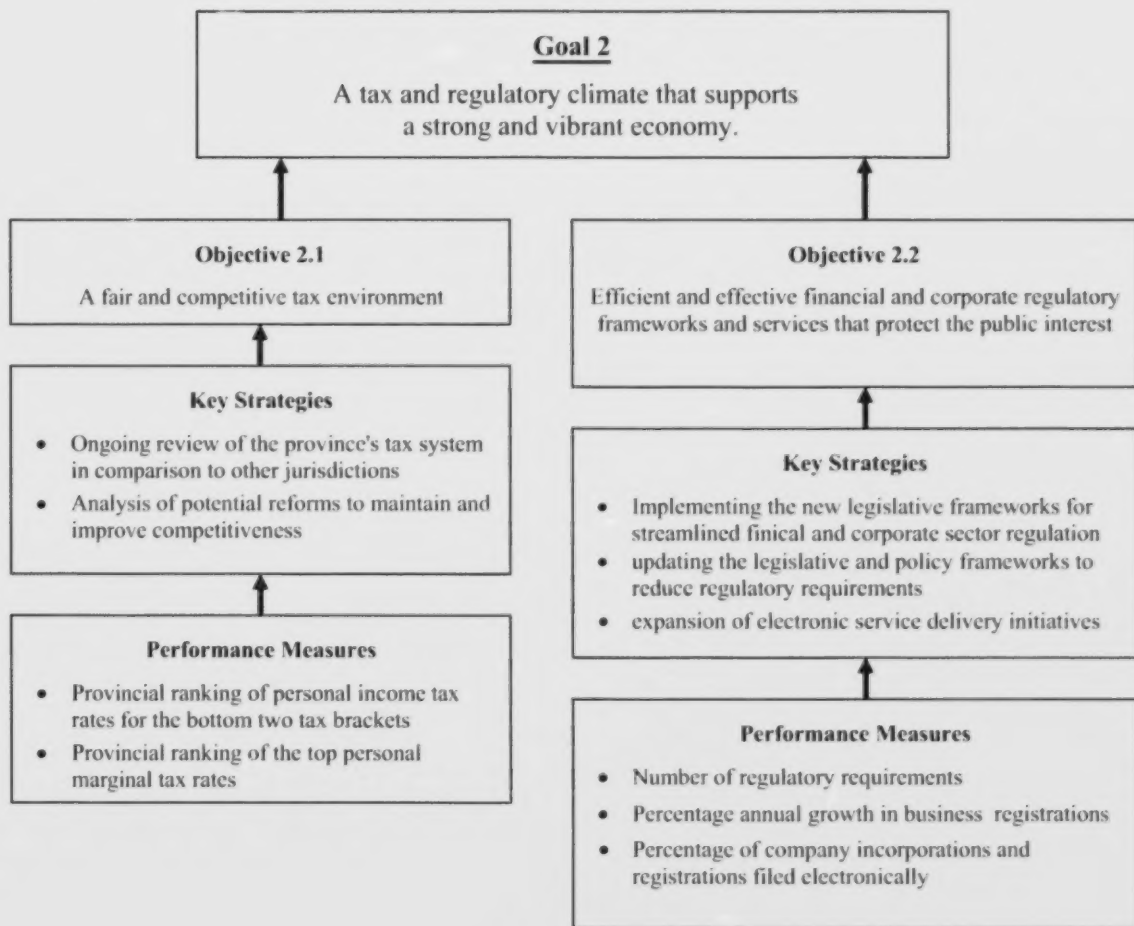
Ministry Goal 2

A tax and regulatory climate that supports a strong and vibrant economy.

The Ministry of Finance plays an essential role in the creation and maintenance of a tax and regulatory climate that supports economic development and employment opportunities. The ministry continuously reviews provincial tax policies, including business tax policies, to ensure the province remains competitive. Since 2001, the ministry has delivered a series of tax reductions targeted to individuals and businesses. These initiatives include a 25 per cent reduction in personal income taxes ensuring individuals in the bottom two-tax brackets now have the lowest personal income tax rates in the country. The province has also introduced an 18 per cent reduction in the general corporate income tax rate, eliminated the capital tax for general corporations and provided an exemption from provincial sales tax for production machinery and equipment. Other more targeted initiatives include property tax relief for small hydroelectric projects and the province's major port operators, new incentives for digital animation and visual effects and an increase in the threshold for the

small business tax rate. As a result of these steps, the province's businesses can now rely on a tax environment that allows them to compete and succeed on the international stage while creating jobs at home.

The ministry will continue to reduce unnecessary regulation and red tape in the province to improve the effectiveness of regulatory frameworks and strengthen consumer confidence. The ministry is undertaking a broad review of the *Insurance Act*, which sets out statutory requirements applying to contracts of life insurance and of property and casualty insurance (such as for fire and liability), other than automobile insurance. Other initiatives include an expansion of e-government that will improve service, expand accessibility and reduce cost.



Objective 1. A fair and competitive tax environment.

Core Business Area: Financial and Economic Performance.

The province's ability to develop a strong and vibrant economy is dependent upon having a tax environment that is competitive both nationally and internationally. Jurisdictions with competitive tax regimes and regulatory frameworks are successful in attracting and retaining personal and business investment. Taking advantage of these opportunities enhances economic development and increases the revenues available to support critical government services like health care and education. In addition, a tax system that is perceived to be fair increases the confidence of British Columbians in their government.

Strategies

In 2005/06 the following key strategies were used to achieve the objective:

1. ongoing review of the Province's tax system in comparison to other jurisdictions
 - a. Budget 2006 included a number of announcements / changes directed at maintaining and improving competitiveness:
 - i. Enhanced dividend tax credit;
 - ii. extension of B.C. Mining Flow-Through Share Tax Credit;
 - iii. extension of enhanced film tax credit rates to 2008;
 - iv. new provincial sales tax (PST) exemption for services to maintain or modify software;
 - v. expansion of PST exemption for production machinery and equipment;
 - vi. increase in motor vehicle surtax threshold to \$55,000;
 - vii. expansion of eligible uses of lower-taxed coloured fuel;
 - viii. allocation of \$90 million over three years for new training and skills development tax credits; and
 - ix. increase in budget for venture capital programs.
2. analysis of potential reforms to maintain and improve competitiveness

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Provincial ranking of personal income tax rates for the bottom two tax brackets.	Lowest	Lowest	Lowest	Lowest	Lowest	None	Target achieved
Selection Rationale This performance measure stems from the government's commitment to cut the base personal income tax rate for the bottom two tax brackets to the lowest rate of any province in Canada. Keeping these tax rates low is consistent with the objective of maintaining a competitive tax system that encourages investment and innovation. Comparison of British Columbia's bottom two bracket rates with those of the other 10 provinces. If British Columbia has the lowest personal income tax rate for the bottom two tax brackets the performance measure has been achieved. With annual indexing British Columbia's bottom two tax brackets have risen to \$66,123 in 2005 from \$60,009 in 2000.							
Variance Explanation No variance — target met.							
Data Sources Personal income tax legislation and budgets from all 10 provinces.							
Changes to the Measure None							

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Provincial ranking of the top personal marginal tax rate.	In the Lowest 3	In the Lowest 3	2nd Lowest	Remain in the Lowest 3	2nd Lowest	None	Target achieved
Selection Rationale Comparison of provincial top marginal personal income tax rates is a key component in the decision making processes of investors, in choosing where to invest, and firms in choosing where to locate. Inter-provincial comparison of top marginal personal income tax rates. If the top personal marginal tax rate is equal to, or lower than the target, the performance measure has been achieved.							
Variance Explanation No variance — target met.							
Data Sources Personal income tax legislation from all 10 provinces.							
Changes to the Measure This measure has been deleted in 2006/07 in order to focus on the most critical aspects of performance. The measure will continue to be tracked for internal management purposes.							

Objective 2. Efficient and effective financial and corporate regulatory frameworks and services that protect the public interest.

Core Business Area: Financial and Corporate Sector Services and Financial and Economic Performance and Analysis.

An efficient and effective regulatory and policy framework promotes investments and innovation in the Province. Unnecessary regulatory requirements increase the cost of doing business in the province resulting in wasted time and effort for both individuals and businesses. Conversely, streamlined legislative and policy frameworks supported by the electronic delivery of services can achieve the same outcomes while acting as a driver for further business development and investment and continuing to foster consumer confidence.

Strategies

In 2005/06 the following key strategies were used to achieve the objective:

1. updating and implementing new legislative frameworks for streamlined financial and corporate sector regulation
 - a. the ministry continued its work to complete the new legislative framework for auto insurance, including technical amendments to Bill 93, the *Insurance (Motor Vehicle) Amendment Act, 2003* that were passed during Spring 2006 legislative session.
 - b. in 2005/06, a broad review of the *Insurance Act* was initiated to modernize legislation that has not been updated for many years. Other provinces have indicated that they will be monitoring our review so that they may consider adopting harmonized provisions. This will be a major contribution to the updating of business framework law in B.C. and Canada.
 - c. new legislation was passed in the Spring 2006 legislative session to provide limited liability, similar to that available to shareholders of corporations, for investors in publicly traded income trusts. This will bring B.C. into line with Alberta, Manitoba, Ontario and Quebec, all of which have adopted this type of protection for investors in income trusts.
 - d. following the completion of a number of major policy reviews that were conducted from 2002 to 2004, the ministry also monitored the post-implementation phases of several new or substantially revised pieces of legislation, resulting in technical amendments to the *Real Estate Services Act*, *Real Estate Development Act*, *Financial Institutions Act*, *Credit Union Incorporation Act* and the *Business Corporations Act*.
 - e. legislation was also developed in consultation with other provinces for a uniform *Securities Transfer Act* based on the Uniform Law Commission's model statute, with consequential amendments to the *Personal Property Security Act*, *Business Corporations Act* and other statutes. This legislation, once enacted, will provide a sound legal foundation for the holding and transfer of security instruments, consistent with international recommendations and the legal rules currently in place in the United States.

- f. ministry staff continues to monitor issues relating to private pension plans, and is developing strategies to address emerging policy issues.
- g. ministry policy and Registries staff played a key role in negotiating terms under the newly ratified Alberta-British Columbia Trade, Investment, and Labour Mobility Agreement to streamline business registration and reporting requirements.
- 2. expansion of electronic service delivery initiatives
 - a. more than 98 per cent of estimated companies in British Columbia successfully filed a transition application by the March 28, 2006 deadline, as required under the *Business Corporations Act*.
 - b. the Corporate Online system was enhanced to allow for email notification of several filings to reduce the burden on businesses. First introduced in 2004, Corporate Online is nearing its 1,000,000 electronic filing transaction.
 - c. 96 per cent of partnership and proprietorship applications are now completed electronically through the OneStop Business Registry, up from 73 per cent in 2004. OneStop is now available to businesses and the public online, 24 hours a day and seven days a week, and surpassed the milestone of 100,000 electronic business transactions.
 - d. OneStop Business Registry added four new business number partners, four new municipal partners and five new service delivery partners.
 - e. OneStop Business Registry successfully launched the BizPal initiative in partnership with the City of Kamloops, Whitehorse, the Yukon Government, Ontario's Halton Region and the Government of Ontario. Also, OneStop successfully found a permanent business owner for BizPal in the Ministry of Small Business and Revenue and began transition of this program.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Number of regulatory requirements.	34,706	25,581	25,581	25,581	22,171	3,414 fewer regulations	Target exceeded

Selection Rationale

Regulatory burden is a key consideration for individuals and firms considering whether to invest in the Province. Reducing red tape by eliminating unnecessary regulations improves the competitiveness of British Columbia's business environment and contributes to its economic growth. An important indicator of the overall regulatory burden on business is the number of regulatory requirements.

Total number of regulatory requirements maintained by the Ministry of Finance. If the Ministry's actual regulatory count is equal to or less than the target regulatory counts, the performance measure has been achieved.

Variance Explanation

The Ministry of Finance's regulatory reduction rate reached 43 per cent with the implementation of the *Real Estate Services Act* and *Real Estate Development Marketing Act* on January 1, 2005.

As of May 2006, the Ministry of Finance has realized a further 7.5 per cent regulatory reduction to 22,171 largely due to further changes to the *Financial Institutions Act*.

Data Sources

Each division and agency within the ministry is responsible for reporting increases or decreases in regulatory requirements to the ministry Deregulation Contact who updates the government's Regulatory Requirement Database.

Changes to the Measure

The June 2004, baseline figure has been changed from 25,423 to 25,581 to reflect errors and omissions in the original regulatory count as well as the reassignment of statutes to different ministries following the June 2005 ministry reorganization.

This measure has been deleted in 2006/07 in order to focus on the most critical aspects of performance. The measure will continue to be tracked for internal management purposes.

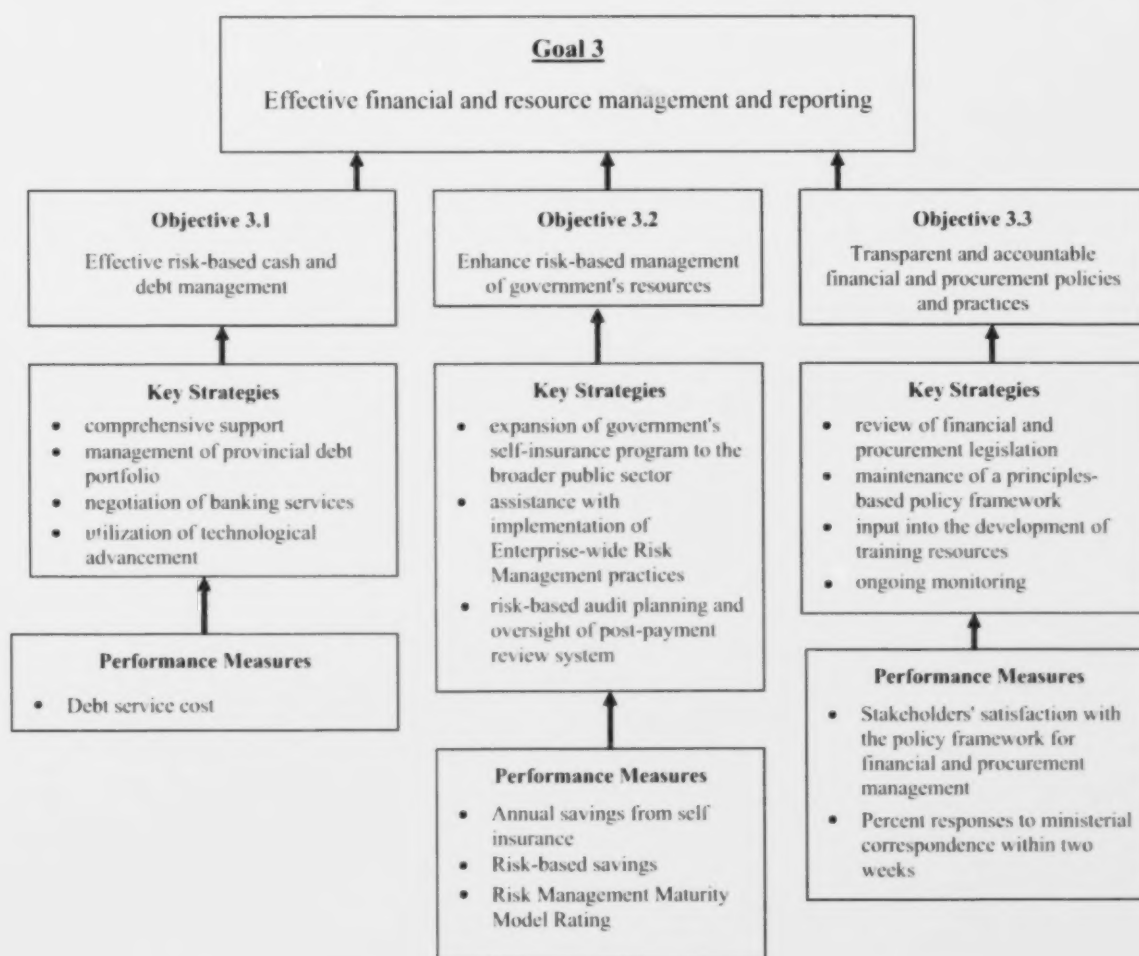
Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Percentage annual growth in new business registrations.	12.6% (48,767)	5.4% (51,401)	4.4% (53,304)	5% (55,969)	10% (58,598)	5% higher growth rate	Target exceeded
Selection Rationale An increase in the number of businesses operating in the province is an indicator of the Government's success in creating a tax and regulatory climate that stimulates economic growth. If the number of new business registrations increases is equal to or greater than the target, then the performance measure has been achieved.							
Variance Explanation Continued strong economic growth and ease of business registration facilitated by new web-based systems.							
Data Sources Ministry of Finance, Corporate and Personal Property Registries systems. Limitations of the data: Registries' data on newly created partnerships and proprietorships is not complete because such entities do not always register unless required to do so by third parties.							
Changes to the Measure This measure has been deleted in 2006/07 in order to focus on the most critical aspects of performance. The measure will continue to be tracked for internal management purposes.							

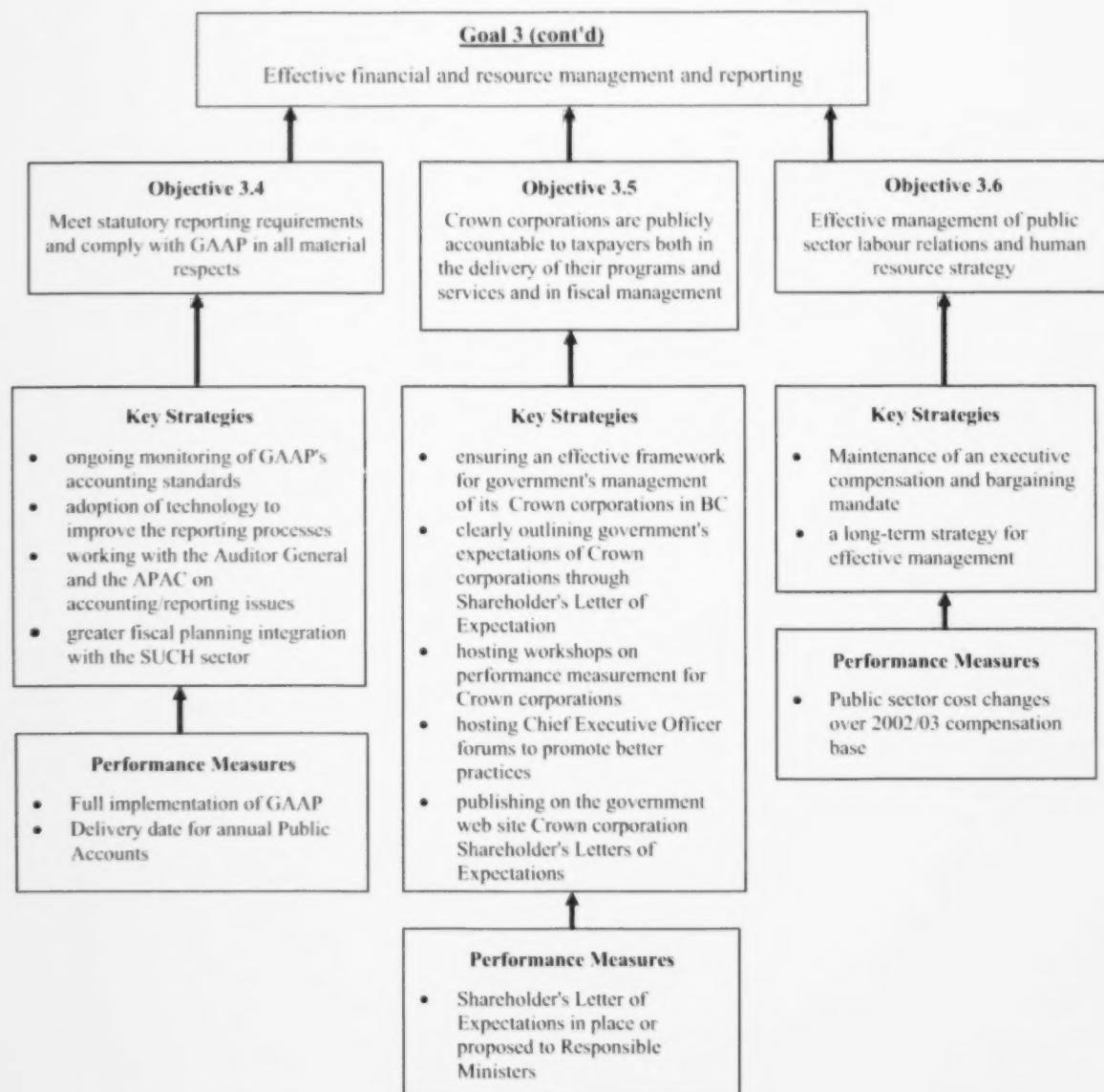
Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Percentage of company incorporations and registrations filed electronically.	77%	84.1%	95%	95%	95%	None	Target achieved
Selection Rationale The transfer of paper-based company incorporations and registrations to electronic self-service over the Internet improves customer service at reduced costs. Registering parties are able to complete their transactions when they require it, pay for the service and obtain confirmation all online. Among the services offered electronically is the registration of business entities, encumbrances (liens) on personal property and ownership and location of manufactured homes in the province. If the percentage of company incorporations and registrations filed electronically is equal to, or greater than, the target levels the performance measure has been achieved.							
Variance Explanation No variance — target met.							
Data Sources Ministry of Finance Corporate and Personal Property Registries' monthly management reports.							
Changes to the Measure This measure has been deleted in 2006/07 in order to focus on the most critical aspects of performance. The measure will continue to be tracked for internal management purposes.							

Ministry Goal 3

Effective financial and resource management and reporting.

The Ministry of Finance is responsible for government's overall financial and risk management framework. This involves the establishment of appropriate legislation, policies and procedures and reporting at a corporate level to ensure the Province's resources and obligations are appropriately managed in support of effective service delivery. This framework reinforces individual and corporate accountabilities for outcomes, maintains standards for stewardship of resources, management of liabilities and risk, and the collection and disbursement of public funds. Key activities include financial, procurement and accounting policy development, internal audit and advisory services, risk management, compliance monitoring and financial and economic reporting.





Objective 1. Effective risk-based cash and debt management.

Core Business Area: Treasury.

In 2005/06, government managed cash flows of approximately \$100 billion. During the same year, debt service cost for the taxpayer supported debt portfolio was \$1.5 billion. Ongoing improvement in the management of these cash and debt activities offers significant opportunities to reduce costs and redirect government resources to priority services.

Strategies

In 2005/06 the following key strategies were used to achieve the objective:

1. development of models and systems to maximize investment returns on surplus cash to minimize borrowing costs and requirements:
 - a. all three performance measures for cash management services were met.
The opportunity cost of holding non-zero cash balances at each major financial institution was \$256,249 (target is less than \$300,000 annually); accuracy in forecasting consolidated cash position at each major financial institution was 76 per cent (benchmark is minimum 70 per cent accuracy); and, performance of the Province's money market fund as compared to Scotia Capital 30 day-T-Bill Index was matched at 2.6 per cent (target is to meet or outperform the Index).
 - b. converted to a new business banking platform for cash management and wire payment services (June 2005). The benefits realized include enhanced reporting and online access/viewing capabilities, and flexible payment setup and release options.
2. comprehensive support for credit rating analysis and investor relations activities:
conducted a Fall 2005 investor tour to Toronto and a spring 2006 investor tour to New York, Montreal and Toronto. Following the September Budget Update, the Second Quarterly Update released in November 2005, and the February 2006 Budget, an investor conference call was convened to brief investors on the fiscal and economic status of the Province. Following the February 21, 2006 Budget, day-long meetings were held with each of the three credit rating agencies: Moody's Investors Service, Standard and Poor's and Dominion Bond Rating Service. In March 2006, Standard and Poor's upgraded the Province's credit rating to AA+ from AA.
3. negotiation of banking services for government as a whole:
 - a. the ministry achieved competitive rates by leveraging economies of scale for banking services. In comparing banking fees charged to the Province against an industry survey (Stewart Associates), the ministry achieved 74 per cent of the industry average rate for general banking fees - 26 per cent lower than market.
 - b. the ministry migrated to a new debit and credit card processor (TD Merchant Services) and lowered fees payable during a period of increasing average credit card transaction size.
4. use of technological advancements (e.g., e-banking services) to create financial and administrative efficiencies and savings within ministries:
 - a. implemented nine e-payment services with client ministries in 2005/06, and launched a new refund enhancement for Internet payments, thus ensuring a secure and reliable refund process for credit card transactions.
 - b. implemented a new state-of-the-art straight-through-processing debt management system, replacing a number of legacy systems and spreadsheets. The new system significantly enhances the ability to manage the portfolio. It also significantly reduces the risk of errors, as data is entered once only, and is stored in a single database.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Debt service costs (Provincial ranking).	2nd Lowest	2nd Lowest	2nd Lowest	2nd Lowest	2nd Lowest	None	Target achieved
Selection Rationale A relatively low ratio of taxpayer-supported debt service cost to taxpayer-supported revenues or "interest bite" demonstrates fiscal prudence and an affordable debt burden. Rating agencies will rely on this measure as one among a number of important credit rating considerations. For every dollar of revenue that the government collects, Moody's estimated in May 2006 that as of March 31, 2006 approximately 5.3 cents goes towards debt servicing costs. If Moody's Investors Service's ranking of British Columbia's debt service costs relative to the other provinces is equal to or lower than the target level, the performance measure has been achieved.							
Variance Explanation No variance — target met.							
Data Sources Moody's Investors Service. The final report is available by July/August of each year.							
Changes to the Measure None							

Note: See provincial comparison of the ratio of taxpayer supported debt service costs to taxpayer-supported revenue in Appendix 5.

Objective 2. Enhance risk-based management of government's resources.

Core Business Area: Financial Governance, Accounting and Reporting and Risk Management.

Creation of risk-based frameworks that reinforce individual and corporate accountabilities provides opportunities to reduce unnecessary constraints, realize efficiencies and improve outcomes. Risk-based practices are adopted only if they can demonstrate consistency with government priorities and add value using an optimal mix of resources and funding.

Strategies

In 2005/06 the following key strategies were used to achieve the objective:

1. expansion of government's self-insurance program to the broader public sector:
 - a. transitioned assets of the former British Columbia Buildings Corporation into a self-insured program.
2. assistance with implementation of Enterprise-wide Risk Management (ERM) practices:
 - a. completed a risk culture survey across government.
 - b. piloted and implemented an ERM implementation workshop for ministries.

3. risk-based audit planning:

- a. a risk-based approach is used in developing all ministry and cross-government corporate audit plans. The Deputy Ministers' Committee on Internal Audit ensures audit resources are focused in the value added areas.

4. oversight of a comprehensive post-payment review system targeting high-risk transactions:

- a. a new statistical sampling methodology was implemented in April 2005. The Office of the Comptroller General conducts quarterly reviews of payments to employees and reimbursement of travel expenses. There are also monthly reviews of payments to vendors and, more recently, compliance with procurement policy. Work is underway to develop a system of computer-based, continuous on-going monitoring of controls.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Annual savings from self-insurance (five year rolling average).	\$30.1 million	\$43.1 million	\$47.5 million	\$43.2 million	\$60.5 million	\$17.3 million	Target exceeded
Selection Rationale The Ministry of Finance's coordination of public sector self-insurance programs allows the provincial government to cost-effectively retain selected risks rather than transfer them at a premium to third parties. Self-insurance involves government assuming the role of a traditional insurer by investigating, defending and paying claims. Since 1986 self-insurance programs have saved the Province more than \$650 million. These cost savings allow participating ministries, hospitals, health care agencies, school boards and social service agencies to direct their resources instead to the delivery of core services. If the annual savings from self-insurance is greater than, or equal to the target, the performance measure has been achieved.							
Variance Explanation Private insurance costs increased significantly during the past five years, reflecting the cyclical nature of the insurance industry and lower returns on investments. The self-insurance program has not experienced the same cyclical downturn and as a result has generated savings in excess of the target. Further claims experience, in 2005/06, as represented by incurred values, was lower than expected.							
Data Sources Ministry of Finance Risk Management Branch. Limitations of the data: N/A.							
Changes to the Measure None							

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Potential average annual benefits realized from utilizing a risk-based approach for post-payment monitoring and Internal Audit and Advisory Services recommendations.	\$5.7 million	\$13.8 million	\$24 million	\$5.7 million	\$14.4 million	\$8.7 million	Target exceeded
Selection Rationale The ministry's delivery of cross-government risk-based financial transaction review through the Payment Review Office and independent management audit services, through Internal Audit and Advisory Services, provide a basis for evaluating government's adoption of best practices. Savings are achieved through management implementation of audit recommendations and more cost effective payment review procedures.							
Variance Explanation Additional savings were identified by using a new model to evaluate the benefits of post-payment review and calculating savings attributable to Activity Based Management							
Data Sources Post-payment sampling results and audit recommendations.							
Changes to the Measure This measure has been changed to "Potential average annual benefits realized from utilizing a risk-based approach for post-payment monitoring and Internal Audit and Advisory Services and Activity Based Management recommendations" to more accurately describe the measure.							

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Ministry implementation of Enterprise-wide Risk Management (Risk Management Maturity Model Rating - 5 point scale).	N/A	2	3	3	3	None	Target achieved
The Risk Management Maturity Model has been selected by Risk Management Branch as the standard cross-government tool for evaluating the implementation of Enterprise-wide Risk Management within an organization. The instrument uses a five-point scale (1 lowest and 5 highest) to explore aspects of: - Organizational Philosophy and Culture - Risk Management Leadership and Commitment - Integration with Other Management Practices and Systems - Risk Management Capabilities - Reporting and Control							
Variance Explanation No variance — target met.							
Data Sources Risk Management Maturity Model. Limitations of the data: The Risk Maturity Model uses outcome descriptions to differentiate levels of organizational maturity. As such, some areas may not interpret the tool consistently due to the qualitative nature of the tool.							
Changes to the Measure This measure has been deleted in 2006/07 in order to focus on the most critical aspects of performance. The measure will continue to be tracked for internal management purposes.							

Objective 3. Transparent and accountable financial and procurement policies and practices.

Core Business Area: Financial Governance, Accounting and Reporting.

Government is undergoing transition to a model that provides program managers with enhanced financial and procurement decision-making abilities within a defined accountability framework. This shift provides managers with additional tools and accountabilities to succeed, and is supported by an updated public sector management frameworks. The ministry plays an important role in the development of these governance frameworks and works closely with other ministries to ensure appropriate clarification of roles, responsibilities and accountabilities.

Strategies

In 2005/06 the following key strategies were used to achieve the objective:

1. review of financial and procurement legislation:
 - a. work is underway to review and streamline financial management legislation including the *Financial Administration Act*, *Budget Transparency and Accountability Act*, *Financial Information Act* and the *Balanced Budget and Ministerial Accountability Act* (BBMAA). Amendments to the BBMAA were passed in the Legislature in May 2006.
2. maintenance of a principles-based policy framework:
3. input into the development of training resources:
 - a. work continues to develop the award-winning Procurement and Contract Management Training program. Thirteen courses of a total syllabus of 20 courses have now been developed and work continues on the balance.
4. training development and delivery were also undertaken for Executive Financial Officers. Work will continue to build training, based on recently updated financial management competencies, for the government financial community ongoing monitoring and reporting on ministries' compliance with the accountability frameworks:
 - a. the review work conducted by the Payment Review Office (PRO) and Internal Audit provides good measures of compliance. PRO conducts monthly reviews on some types of payments made by government and quarterly reviews on other types.
 - b. both PRO and Internal Audit conduct reviews on compliance with the procurement policy framework in conjunction with the Procurement Governance Office.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Stakeholders' satisfaction with the policy framework for financial and procurement management.	N/A	Determined Baseline at 44%	60%	65%	57.5%	7.5% lower satisfaction rate	Target mostly achieved

Selection Rationale

Government is transitioning from a control framework based on "command and control" to one based on performance measurement and personal accountability for results. This has resulted in a significant reduction (70 per cent) in the volume of core policy related to financial and procurement management. Ensuring that the policy framework provides sufficient guidance to managers while avoiding an overly prescriptive approach is essential. Accordingly, survey results from managers and other stakeholders provides information for improving the framework and its implementation.

BC Stats calculates the percentage of response and satisfaction as part of their overall assessment of the survey.

Variance Explanation

As government transitions from a control based framework to one based on providing sufficient guidance to managers while avoiding being overly prescriptive, responsibility for financial and procurement management is shifting from the policy area to ministries. This shift requires both policy and ministry staff to adjust to new responsibilities. As a result, government is seeing some flux in the satisfaction rates as people adapt to their new roles. As the model matures results are expected to improve.

Data Sources and Issues

Annual Client Survey of the Office of the Comptroller General conducted by BC Stats: Satisfaction survey of key stakeholders including financial and procurement managers and other users.

Limitations of the data: The percentage of satisfaction of our clients is determined from the responses to the client survey. Depending upon the response rate to the survey, the actual satisfaction level may be different than that determined by BC Stats. A very low response rate can tend to distort the results.

Changes to the Measure

This measure has been deleted in 2006/07 in order to focus on the most critical aspects of performance. The measure will continue to be tracked for internal management purposes.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Percentage of responses to ministerial within two weeks.	40%	29%	22%	80%	47.75%	32.25% lower response rate	Target missed
Selection Rationale Achieving the ministry standard of responding to minister's correspondence within a two-week period ensures correspondents receive timely and relevant information. The Deputy Minister's office is the lead in this initiative. A comparison of the total number of logs in CLIFF assigned to the ministry from the minister's office to the amount responded to within a two-week period. If the percentage of responses to ministerial correspondence that has received an interim reply or is completed within two weeks is equal to, or greater than, the target levels the performance measure has been achieved.							
Variance Explanation The ministry process is being streamlined and monitored for improved results.							
Data Sources Ministry of Finance CLIFF Tracking System. Limitations of the data: Data does not take into account any delay in the ministry receiving the incoming correspondence or backlogs that might occur in final sign off.							
Changes to the Measure None							

Objective 4. Meet statutory reporting requirements and comply with GAAP in all material respects.

Core Business Area: Financial Governance, Accounting and Reporting and Financial and Economic Performance and Analysis.

The *Budget Transparency and Accountability Act* (BTAA) requires that all accounting policies and practices applicable to documents required to be made public under this act (e.g., Budget and Public Accounts), must comply with Generally Accepted Accounting Principles (GAAP). Adherence to GAAP requires monitoring of evolving accounting standards, consistent financial practices across government and full transparency for the use of public funds. This transparency is critical for ensuring that British Columbians and the investment community obtain the information they need to make informed decisions and have confidence in government's finances.

Strategies

In 2005/06 the following key strategies were used to achieve the objective:

1. ongoing monitoring of, and adherence to, GAAP's evolving accounting standards:
 - a. the Office of the Comptroller General (OCG) consults with organizations that develop accounting standards for senior government and some of our staff volunteered to assist these organizations with their standard setting work. The Province also contributes to private sector GAAP where it could potentially impact government accounting. This fiscal year, OCG has provided comments to standard setting bodies on 10 exposure drafts pertaining to emerging policy.
 - b. Treasury Board Staff works with the Office of the Comptroller General to ensure Budgets and Quarterly Reports are GAAP-compliant.
2. adoption of technology to improve the reporting processes:
 - a. the Office of the Comptroller General has several years of experience in using Caseware for preparation of the Public Accounts. The Office of the Comptroller General continues to refine the use of this software, and build reporting templates to make it easier to accumulate data from B.C. government reporting entities and assemble the Public Accounts.
3. working with the Auditor General and the Accounting Policy Advisory Committee (APAC) on accounting and reporting issues:
 - a. the Office of the Comptroller General meets regularly throughout the year with Auditor General staff, and with increasing frequency as annual Public Accounts preparation gets underway. This is a useful process to better understand the position of each organization and avoid problem areas.
 - b. the APAC meets about four times annually or as required to discuss government accounting policy and GAAP issues. Their input provides government with an external non-binding view of issues.
4. greater fiscal planning integration with the SUCH sector:
 - a. the Office of the Comptroller General works closely with its SUCH Sector partners with respect to quarterly and annual financial reporting. Work continues on developing and improving reporting templates to help streamline preparation of the financial reports and statements.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Full implementation of GAAP.	Partial	Partial	Full	Full	Full	None	Target achieved

Selection Rationale

Full implementation of GAAP in the fiscal 2004/05 Financial Statements (Public Accounts) meets a legislated requirement in the *Budget Transparency and Accountability Act* and improves the accuracy, consistency and timeliness of the province's financial information. Incorporation of schools, colleges, universities and health regions into the government entity made British Columbia the first provincial jurisdiction in Canada to be compliant with the new principles established by the Public Sector Accounting Board.

Variance Explanation

No variance — target met.

Data Sources

Members of the Public Sector Accounting Board have established specific accounting standards with representation from the provinces, territories and the federal government. The objectives of the project will be compared with its achievements and financial reporting to ensure that GAAP is fully implemented.

Changes to the Measure

In 2006/07 this measure has been incorporated into a new performance measure, "Release of public accounts by June 30 with an unqualified audit opinion from the Office of the Auditor General".

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Delivery date for annual Public Accounts.	June 27, 2003	June 29, 2004	June 29, 2005	June 29, 2006	TBD	TBD	Target achieved

Selection Rationale

Timely release of financial reporting is critical for effective use of the information and helps instill public confidence in government's ability to manage its resources. The *Budget Transparency and Accountability Act* requires release of the Province's financial statements (Public Accounts) by August 31st, following each March 31st, fiscal year end. While the legislated date is August 31st, the anticipated release date is by June 30th.

Variance Explanation

The work of the Office of the Comptroller General will be completed by June 29, 2006, but the Office of the Auditor General has indicated their audit will not be completed by then. The release date will be July 17.

Data Sources

Release of the Public Accounts.

Changes to the Measure

In 2006/07 this measure has been incorporated into a new performance measure, "Release of public accounts by June 30 with an unqualified audit opinion from the Office of the Auditor General".

Objective 5. Crown corporations are publicly accountable to taxpayers both in the delivery of their programs and services and in fiscal management.

Core Business Area: Crown Agencies Secretariat

1. A Crown corporation is an organization that is established by the provincial government that is outside of a ministry. Crown corporations are accountable to the government through a Responsible Minister; and have assigned/delegated authority and responsibility from government, or otherwise have statutory authority and responsibility to perform specified functions or services. An effective governance system will aid both government and Crown corporations by ensuring Crown corporations focus on the activities necessary to fulfill their mandates while at the same time ensure they are being managed in the best interests of public stakeholders and government.

Strategies

In 2005/06 the following key strategies were used to achieve the objective:

1. ensuring an effective framework for government's management of its Crown corporations in British Columbia:
 - a. issued a summary of the Crown Agency Accountability System on CAS website.
2. clearly outlining government's expectations of Crown corporations through Shareholder's Letters of Expectations:
 - a. Developed an updated template for Shareholder's Letters of Expectation and coordinated development of new letters (see results below) and renewal of existing letters.
3. providing input on cross-Crown corporation policy issues:
 - a. Policy issues included responses to reports by the Auditor General and initiatives from the Public Sector Accounting Board on performance reporting.
4. hosting workshops for Crown corporation and ministry staff on governance and performance planning and reporting and hosting Chief Financial Officer forums for all Crown corporations to promote best practices:
 - a. Hosted senior officials from the New Zealand Crown Company Monitoring and Advisory Unit and the UK Shareholder Executive and arranged meetings with Crown Agency and government staff to disseminate best practices;
 - b. Hosted a joint Crown Agency-Government Forum to discuss governance, reporting and budget issues.
5. publishing on the government website Crown corporation Shareholder's Letters of Expectations, signed off by Ministers Responsible and the Board Chairs of Crown corporation:
 - a. Shareholder Letters for all but two Crown corporations and posted on the Crown Agencies Secretariat website.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Shareholder's Letters of Expectations in place or proposed to Responsible Ministers and Chairs for all Crown corporations.	N/A	N/A	80%	100%	93%	7% letters in place	Target mostly achieved
Selection Rationale The Shareholder's Letter of Expectations (SLE) is a key component of the Accountability Framework for Crown corporations and is designed to ensure a shared understanding between the shareholder and Crown corporation Boards of Directors on key governance issues, corporate mandate direction from government, core Crown corporation services, strategic priorities and performance expectations of government for the corporations. The Shareholder's Letter is signed by the Minister Responsible, as the representative of government, and the Chair of the Board of the Crown corporation, as the representative of the Crown corporation.							
Variance Explanation Shareholder Letters were not prepared for two Crown corporations pending completion of mandate or structural reviews. Note that this measure has been amended for 2006/07 to "Shareholder's Letters of Expectations in place for all applicable Crown corporations" to recognize that some corporations are inactive or winding up, and will not require a Shareholder's Letter. The target remains at 100 per cent.							
Data Sources All completed SLEs are signed by the Minister and Chair of Board of the Crown corporation and posted on the Crown Agencies Secretariat website.							
Changes to the Measure This measure has been changed to "Shareholder's Letter of Expectations in place for all applicable Crown corporations" to more accurately describe the measure.							

Objective 6. Effective management of public sector labour relations and human resource strategy.

Core Business Area: Public Sector Employers' Council

- Public sector labour costs comprise a significant portion of the provincial budget. Accordingly, effective management of the Province's fiscal plan requires the establishment of appropriate and sustainable compensation levels. Labour market analysis and frameworks are also critical for attracting and retaining highly skilled workers critical to the delivery of many public services.

Strategies

In 2005/06 the following key strategies were used to achieve the objective:

1. maintenance of a compensation and bargaining mandate framework that incorporates fiscal goals, policy, program decisions, and labour market considerations".
 - a. The ministry set out a \$6 billion, multi-year negotiating framework to guide public sector labour agreements. As of March 31, 2006 negotiators reached 55 agreements covering 75 per cent of British Columbia's 308,000 public sector workers. All agreements extended four years or more in duration and the vast majority received ratification approvals in excess of 90 per cent. Major components include:
 - \$1 billion as an incentive to reach new agreements before the expiry of current agreements;
 - \$4.7 billion over four year (2006/07 – 2009/10) for annual compensation increases; and
 - up to \$300 million dividend in 2009/10 for agreements that extend to March 31, 2010 or later, subject to the surplus exceeding \$150 million.
2. A long-term strategy for effective management of labour relations that addresses shortages of critical skilled occupations in the public sector is also underway.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Public Sector cost changes over 2002/03 compensation base (\$17.4 billion).	\$17.4 billion	\$16.1 billion	\$16.0 billion	\$17.4 billion or less	\$17.0 billion	\$0.4 billion lower cost	Target exceeded
Selection Rationale This measure captures the public sector compensation changes over the 2002/03 compensation base. With compensation related costs in the public sector consuming a substantial portion of the provincial budget, the effective management of compensation costs requires the measurement and tracking of changes in the compensation base. Comparison of year over year increases to compensation base as derived from analysis of costs resulting from changes to collective agreements, the relative size of workforce(s) as well as payroll information pertaining to excluded and executive employees. PSEC conducts a comprehensive total compensation cost survey of all public sector employers.							
Variance Explanation While compensation costs decreased relative to the 2002/03 benchmark of \$17.43 billion, there was a relative increase over 2004/05 primarily due to improved reporting arising from new SUCH sector reporting requirements.							

Data Sources

Public Sector Employers' Council Secretariat (PSEC).

Limitations of the data: Any increase or decrease in the size of the public sector would impact the compensation base, but is beyond PSEC's capacity to control. In addition, the nature of collective bargaining is such that an expired agreement may or may not be renegotiated and costed within the fiscal year in which it expires. Compensation cost changes may vary without being reflected in PSEC data.

Changes to the Measure

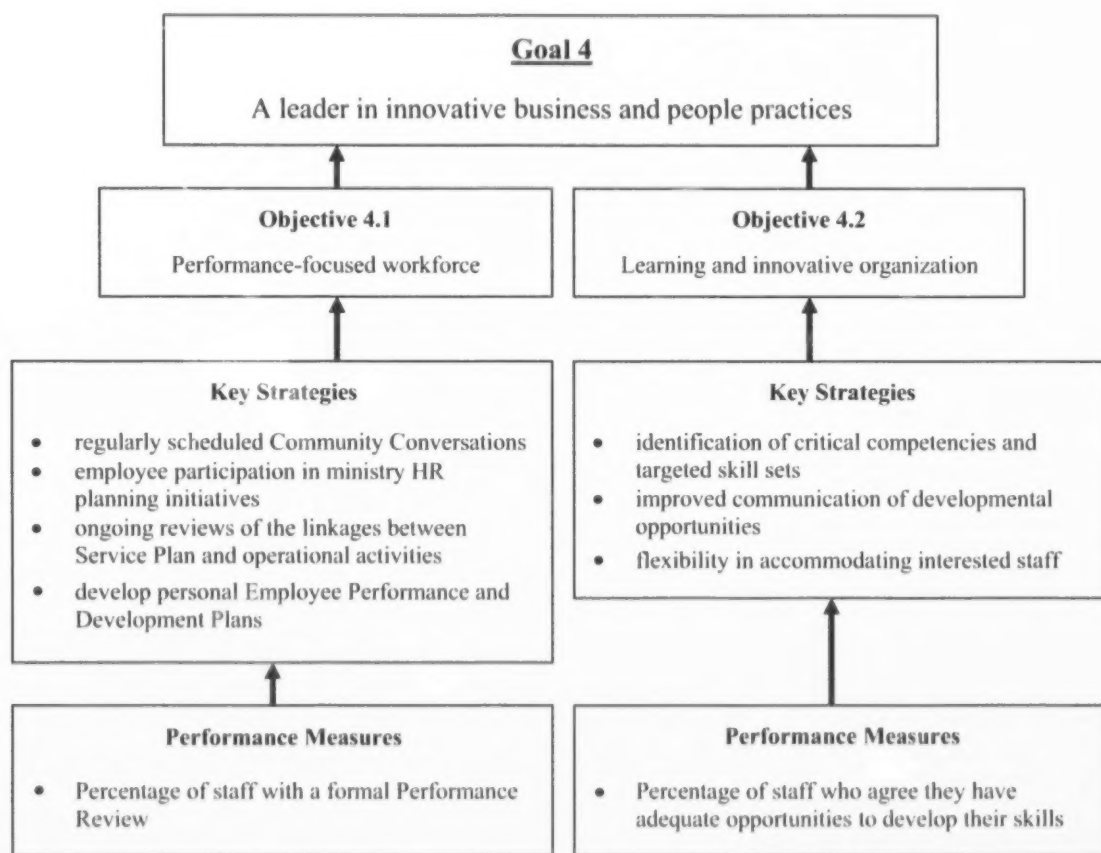
This measure has been changed to "Public sector cost changes over the 2005/06 compensation base" to more accurately describe the measure.

Ministry Goal 4

A leader in innovative business and people practices.

The ministry recognizes its dependence upon the continued support and professionalism of our highly-skilled and knowledgeable workforce. Ultimately, it is our staff that drives the quality and value of the services we provide to our clients, stakeholders and the people of British Columbia. Over the coming years, the ministry will pursue additional opportunities to provide its employees with the support, recognition and opportunities required.

Core Business Area: All.



Objective 1. Performance Focused Workforce.

Core Business Area: All.

The ministry works closely with its staff throughout the year to provide them with information on strategic priorities and how their work contributes to the success of the organization overall. Staff have reaffirmed that this communication clarifies expected results, supports organizational improvement and provides greater job satisfaction.

Strategies

In 2005/06 the following key strategies were used to achieve the objective:

1. regularly scheduled Community Conversations involving all members of the ministry
 - a. a number of community conversations were held with ministry staff.
2. employee participation in ministry human resource planning initiatives
 - a. the Corporate Planning Secretariat developed the Ministry Human Resources Plan with employee input
3. integration of planning and reporting processes
 - a. the Corporate Planning Secretariat was convened in November 2005 and this group undertook all planning and reporting activities for the ministry. Activities have resulted in a more integrated Business Plan for 2006/07, as well as a more effective planning calendar.
 - b. the 2006/07 Human Resources plan was integrated into the ministry's overall Business Plan, and staff throughout the ministry were engaged in developing objectives, strategies and actions through Community Conversations and their Corporate Planning Secretariat representatives.
4. ongoing reviews of the linkages between the Service Plan and operational activities
5. the ministry is also working to develop personal Employee Performance and Development Plans (EPDP) tailored to the position and developmental interests of each employee
 - a. a tailored EPDP pilot was implemented in ministry, and will be considered for expanded implementation within the ministry.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Percentage of staff with a formal Performance Review (e.g., EPDP) in the last year.	23%	67% of managers	58% Completed 35% in progress	100%	51%	49%	Target missed

Selection Rationale

Formal Performance Reviews including the development of Employee Performance Development Plans (EPDPs) provide an important linkage between the activities of individuals and the strategic direction of their business unit and the ministry as a whole. Identifying performance expectations within EPDPs also supports greater accountability and improves communication between staff and supervisors. Finally, the EPDP exercise also provides staff with an opportunity to explore their personal growth and development objectives.

If the percentage of respondents who have a formal Performance Review in the last year is equal to or greater than the target, the performance measure has been achieved.

Variance Explanation

2004/05 results indicate that 58% of EPDPs were completed, with 35% in progress. The 2005/06 Employee survey only measured completion rates, not those in progress. While the ministry has encouraged use of EPDPs, uptake has been slower than expected. The ministry recently piloted a new EPDP initiative which streamlines the EPDP process.

Data Sources

This measure is a core question in the Work Environment and Employee Engagement Survey distributed to staff. The survey is delivered electronically, analyzed and reported by BC Stats using E-Surveyor software.

Changes to the Measure

This measure has been deleted in 2006/07 in order to focus on the most critical aspects of performance. The measure will continue to be tracked for internal management purposes.

Objective 2. Learning and Innovative Organization.

Core Business Area: All.

Government's move to a model focused on flexibility, evidence-based risk taking, and accountability for results, requires the support of a knowledgeable and innovate workforce. Members of the ministry have embraced this shift and have fostered a culture characterized by performance and receptiveness to change. In order to build upon our past success, the ministry will actively encourage the development of new skills based on formal and non-traditional learning opportunities and mutual trust.

Strategies

In 2005/06 the following key strategies, with the noted results, were used to achieve the objective:

1. identification of critical competencies and targeted skill sets
 - a. a workforce planning exercise identified critical positions. This work will continue in 2006/07.
 - b. a skills development inventory, mentoring program and orientation program were rolled out.

2. improved communication of, and access to, developmental opportunities (internship programs, career pathing, mentoring, rewards and recognition programs, development opportunities and critical skills training)
 - a. the ministry supported staff in attending a variety of leadership development and training courses and programs. A ministry-specific leadership program is being considered for 2006/07.
 - b. ministry employees participated in a large number of Temporary Assignments, which promote cross-ministry learning and development.
 - c. informal learning and development opportunities, such as lunch and learns and cross-divisional sharing sessions, were offered.
 - d. the Graduate Development Program was established for Treasury Board Staff.
3. flexibility in accommodating interested staff.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Percentage of staff who agree they have adequate opportunities to develop their skills.	66%	44%	62%	80%	57%	23%	Target missed
Selection Rationale The ministry is undertaking a comprehensive staff attraction and retention initiative. This initiative will ensure that the ministry has the necessary skill sets to support its activities in an increasingly complex environment. Providing staff with additional learning and development opportunities will position the ministry as an important professional development opportunity, benefit our employees and enhance the quality of our services. If the percentage of respondents who agree is equal to, or greater than the target, the performance measure has been achieved.							
Variance Explanation Access to corporately provided training and development opportunities continue to be limited due to work and budget pressures and the timing and availability of courses. The ministry is considering customizing a management and leadership program to meet specific ministry needs. The ministry strongly supports Temporary Assignments and other on-the-job development opportunities. While less than the target, the ministry is 11% higher than the government average on this measure.							
Data Sources and Issues This measure is a core question in the Work Environment and Employee Engagement Survey distributed to staff. The survey is delivered electronically, analyzed and reported by BC Stats using E-Surveyor software.							
Changes to the Measure This measure has been deleted in 2006/07 in order to focus on the most critical aspects of performance. The measure will continue to be tracked for internal management purposes.							

Deregulation

The Ministry of Finance's regulatory reduction rate reached 43 per cent with the implementation of the *Real Estate Services Act* and *Real Estate Development Marketing Act* on January 1, 2005.

The ministry's June 2004 baseline figure has been changed from 25,423 to 25,581 to reflect errors and omissions in the original regulatory count as well as the reassignment of statutes to different ministries following the May 2005 election. As of May 2006 the Ministry of Finance has realized a further 7.5 per cent regulatory reduction to 22,171 largely due to further changes to the *Financial Institutions Act*.

Over the next two years, all legislative initiatives will be monitored to ensure that the policies are effective and allow industry, the public, and government to operate in an improved environment of "smart regulation".

Report on Resources

The Ministry of Finance estimates for 2005/06 were \$366.6 million. During the year the Ministry received \$712.7 million in additional funding for the Negotiating Framework and one-time repairs and maintenance to Government House. Total authorized estimates for the year were \$1,079.3 million. At the end of 2005/06, the Ministry of Finance was under-expended by \$294.9 million. The majority of the underspending in the Ministry of Finance relates to the Negotiating Framework. All agreements due March 31 were settled by March 31. Incentive funding for various agreements expiring at later dates remained unspent at March 31. Cross-government Ministers' travel costs were lower due to the election held in May 2005.

Funding is provided in the Ministry Operations Vote of the legislature and one special account, Insurance and Risk Management.

The following table summarizes the budgeted and actual expenses for the Ministry for fiscal 2005/06. Variances are calculated as "Total Estimated" minus "Actual" = "Variance", so that underspending is without brackets and overspending in brackets.

Resource Summary 2005/06

Core Business Areas	Estimated	Other Authorizations	Total Estimated	Actual	Variance
Operating Expenses (\$000)					
Crown Agencies Secretariat	1,497		1,497	1,214	283
Financial and Economic Performance and Analysis	6,415		6,415	6,116	299
Financial Governance, Accounting and Reporting	6,721		6,721	5,808	913
Treasury	1		1	1	0
Financial and Corporate Sector Services	1,565		1,565	1,392	173
Public Sector Employer's Council	14,596		14,596	14,452	144
Executive and Support Services	15,776	2,400	18,176	15,635	2,541
Contingencies (All Ministries) and New Programs	320,000				
Transfer to Ministries		(289,711)	30,289	30,000	289
Negotiating Framework Incentive		1,000,000	1,000,000	709,710	290,290
Total	366,571	712,689	1,079,260	784,328	294,932

Core Business Areas	Estimated	Other Authorizations	Total Estimated	Actual	Variance
Full-time Equivalents (FTEs)					
Crown Agencies Secretariat	10		10	9	1
Financial and Economic Performance and Analysis	65		65	51	14
Financial Governance, Accounting and Reporting	117		117	108	9
Treasury	74		74	66	8
Financial and Corporate Sector Services	144		144	145	(1)
Public Sector Employer's Council	13		13	12	1
Executive and Support Services	145		145	138	7
Total	568		568	529	39
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)					
Crown Agencies Secretariat	18		18	0	18
Financial and Economic Performance and Analysis	45		45	13	32
Financial Governance, Accounting and Reporting	215		215	187	28
Treasury	1,631		1,631	962	669
Financial and Corporate Sector Services	2,604		2,604	1,617	987
Public Sector Employer's Council	3		3	0	3
Executive and Support Services	1,036		1,036	45	991
Total	5,552		5,552	2,824	2,728

Insurance and Risk Management (IRMA)	Estimated	Other Authorizations	Total Estimated	Actual	Variance
Operating Expenses (\$000)	0		0	(7,811)	7,811
FTEs	46		46	43	3
Ministry Capital Expenditures (\$000)	20		20	9	11

¹ Estimates as presented to the Legislative Assembly on September 14, 2005.

² "Other Authorizations" includes \$2.4 million access to Contingencies for repairs and maintenance to Government House.

Annual Report Appendices

Appendix 1: List of Crowns, Agencies, Boards and Commissions for which the Minister of Finance is the Minister Responsible.

Crowns

Partnerships BC

Boards

Accounting Policy Advisory Committee

Auditor Certification Board

BC Investment Management Board

Financial Institutions Commission

Financial Services Tribunal

Insurance Council of British Columbia

Real Estate Foundation of British Columbia

Real Estate Council of British Columbia

Appendix 2: List of Legislation Administered by the Ministry.

Auditor General

Balanced Budget and Ministerial Accountability

Bonding

British Columbia Railway Finance

British Columbia University Loan, 1945

Budget Transparency and Accountability

Business Corporations

Business Number Act except s. 10.1

Capital Financing Authority Repeal and Debt Restructuring

Constitution ss. 25 – 27

Cooperative Association

Credit Union Incorporation

Creditor Assistance

Financial Administration

Financial Information
Financial Institutions
Industrial Development
Insurance
Insurance (Captive Company)
Insurance (Marine)
Manufactured Home
Ministerial Accountability Bases, 2004
Ministerial Accountability Bases, 2004-2005
Ministry of Consumer and Corporate Affairs ss. 3 & 4 (a)
Ministry of Intergovernmental Relations s. 3
Miscellaneous Registrations, 1992
Mortgage Brokers
Mutual Fire Insurance Companies
Pacific North Coast Native Cooperative
Partnership
Pension Agreement
Pension Benefits Standards
Pension Fund Societies
Personal Property Security
Ports Property Tax Act except s. 5
Probate Fee
Public Education Labour Relations
Public Education Support Staff Collective Bargaining Assistance
Public Sector Employers
Public Sector Pension Plans
Public Works Agreement
Real Estate Development Marketing
Real Estate Services
Repairers Lien
Securities (Forged Transfer)
Society
Special Accounts Appropriation and Control Act except ss. 4, 7, 8, 9 & 10 (2) (a) & (b)
Strata Property
Tugboat Worker Lien
Unclaimed Property
Warehouse Lien
Warehouse Receipt
Woodworker Lien

Appendix 3: Table of Changes — 2005/06 Update Compared to 2006/07

The ministry recognizes that all performance measures reported in the 2005/06–2007/08 Service Plan Update September 2005 are important; however, focusing on the most critical aspects of performance allows the ministry to better define its success in achieving its goals and objectives. As a result, the ministry has removed the internally-focused goal “A leader in innovative business and people practices” and a number of performance measures, and refined its remaining goals to create greater focus on fiscal sustainability, competitiveness and accountability. Ministry objectives have been reworded to reflect the revised goals.

2005/06 Goals	2006/07 Goals
Maintain a balanced budget annually.	A sustainable fiscal environment built on a balanced budget.
A tax and regulatory climate that supports a strong and vibrant economy.	A strong, competitive and vibrant economy.
Effective financial and resource management and reporting.	Effective financial, governance, accountability and performance framework.
A leader in innovative business and people practices.	

Eight performance measures have been removed in the 2006/07–2008/09 Service Plan, per the table below. These measures will continue to be tracked for internal management purposes.

The following performance measures have been added to the 2006/07–2008/09 Service Plan:

1. Provincial ranking of corporate income tax rates. A competitive tax environment fosters economic growth. Although measuring the overall competitiveness of the system is complex, a comparison of general corporate income tax rates represents a reasonable basis for assessing competitiveness.
2. Release of Public Accounts by June 30 with an unqualified audit opinion from the Auditor General's Office. This new performance measure combines two separate performance measures reported in the 2005/06–2007/08 Service Plan Update September 2005: 1) Full implementation of GAAP and 2) Delivery date for annual Public Accounts.

2005/06 Performance Measures	2006/07 Performance Measures	Status
Achieve annual targets for provincial budget.	Achieve annual targets for provincial budget.	Unchanged.
Debt to GDP ratio.	Taxpayer Supported Debt to GDP ratio.	Changed to more accurately describe the measure.
Provincial credit rating.	Provincial credit rating.	Unchanged.
	Provincial ranking of corporate income tax rates.	New.
Provincial ranking of personal income tax rates for the bottom two tax brackets.	Provincial ranking of personal income tax rates for the bottom two tax brackets.	Unchanged.
Debt service costs (Provincial ranking).	Debt service costs (Provincial ranking).	Unchanged.
Annual savings from self-insurance (five-year rolling average).	Annual savings from self-insurance (five-year rolling average).	Unchanged.
Potential average annual benefits realized from utilizing a risk-based approach for post-payment monitoring and Internal Audit and Advisory Services recommendations.	Potential average annual benefits realized from utilizing a risk-based approach for post-payment monitoring and Internal Audit and Advisory Services and Activity Based Management recommendations.	Changed to more accurately describe the measure.
Percentage of responses to ministerial correspondence within two weeks.	Percentage of responses to ministerial correspondence within two weeks.	Unchanged.
	Release of public accounts by June 30 with an unqualified audit opinion from the Office of the Auditor General.	New.
Shareholder's Letters of Expectations in place or proposed to Responsible Ministers and Chairs for all Crown corporations.	Shareholder's Letter of Expectations in place for all applicable Crown corporations.	Changed to more accurately describe the measure.
Public sector cost changes over 2002/03 compensation base (\$17.43 billion).	Public sector cost changes over the 2005/06 compensation base.	Changed to more accurately describe the measure.
Provincial ranking of the top personal marginal tax rate.		Deleted — measure will continue to be tracked for internal management purposes.
Number of regulatory requirements.		Deleted — measure will continue to be tracked for internal management purposes.

2005/06 Performance Measures	2006/07 Performance Measures	Status
Percentage annual growth in new business registrations.		Deleted — measure will continue to be tracked for internal management purposes.
Percentage of company incorporations and registrations filed electronically.		Deleted — measure will continue to be tracked for internal management purposes.
Ministry implementation of Enterprise-wide Risk Management (Risk Management Maturity Model Rating — 5 point scale).		Deleted — measure will continue to be tracked for internal management purposes.
Stakeholders' satisfaction with the policy framework for financial and procurement management.		Deleted — measure will continue to be tracked for internal management purposes.
Full implementation of GAAP.		Incorporated into new performance measure: Release of public accounts by June 30 with an unqualified audit opinion from the Office of the Auditor General.
Delivery date for annual Public Accounts.		Incorporated into new performance measure: Release of public accounts by June 30 with an unqualified audit opinion from the Office of the Auditor General.
Percentage of staff with a formal Performance Review (e.g., EPDP) in the last year.		Deleted — measure will continue to be tracked for internal management purposes.
Percentage of staff who agree they have adequate opportunities to develop their skills.		Deleted — measure will continue to be tracked for internal management purposes.

Appendix 4: Organizational Changes — 2005/06 Update Compared to 2006/07

In October 2005, a new Strategic and Corporate Policy Division was created in the ministry. The Division consists of the Tax Policy, Intergovernmental Fiscal Relations, Financial and Corporate Sector Policy and First Nations Fiscal Branches. The Tax Policy Branch, Intergovernmental Fiscal Relations, Financial and Corporate Sector Policy Branch were transferred from other divisions within the Ministry of Finance. The First Nations Fiscal Branch was transferred from the Ministry of Aboriginal Relations and Reconciliation. The new division provides the ministry with increased capacity to examine several of the key corporate and strategic issues facing the ministry and government including competitiveness, effective regulation, building a new relationship with First Nations and negotiating with the Federal government and other provinces on fiscal relations issues.

Appendix 5: Interprovincial Comparison Statistics Prepared by Moody's

Taxpayer-supported Debt as a per cent of GDP (Moody's)

Province	Taxpayer-supported Debt as a % of GDP ¹
British Columbia	15.9
Alberta	2.3
Saskatchewan	19.6
Manitoba	23.2
Ontario	26.2
Quebec	43.3
New Brunswick	27.7
Prince Edward Island	32.1
Nova Scotia	34.1
Newfoundland and Labrador	36.2

¹ Estimates for March 31, 2006 calculated in May 2006.

Ratio of Taxpayer-supported Debt Service Costs to Taxpayer supported Revenues (Moody's)

Province	Ratio of Taxpayer-supported Debt Service Costs to Taxpayer-supported Revenues ¹
British Columbia	5.3
Alberta	1.1
Saskatchewan	8.4
Manitoba	8.4
Ontario	11.1
Quebec	13.1
New Brunswick	9.8
Prince Edward Island	9.8
Nova Scotia	15.6
Newfoundland and Labrador	11.4

¹ Estimates for March 31, 2006 calculated in May 2006.

Comparison of Provincial Credit Ratings (Moody's)

Province	Credit Rating	Outlook
British Columbia	Aa1	stable
Alberta	Aaa	stable
Saskatchewan	Aa2	stable
Manitoba	Aa2	stable
Ontario	Aa2	stable
Quebec	Aa3	stable
New Brunswick	Aa3	stable
Prince Edward Island	A1	stable
Nova Scotia	A2	positive
Newfoundland and Labrador	A2	stable

Moody's rating classification, highest to lowest, is as follows:

- Aaa
- Aa1
- Aa2
- Aa3
- A1
- A2
- A3

Appendix 6: 2005/06 and 2003/04 Comparative Financial Information

Core Business Areas	Estimated	Other Authorizations	Total 05/06 Estimated	Total 04/05 Estimated	Variance from 04/05 Estimated
Operating Expenses (\$000)					
Crown Agencies Secretariat	1,497		1,497	2,124	(627)
Financial and Economic Performance and Analysis	6,415		6,415	5,946	469
Financial Governance, Accounting and Reporting	6,721		6,721	6,313	408
Treasury	1		1	1	0
Financial and Corporate Sector Services	1,565		1,565	4,236	(2,671)
Public Sector Employer's Council	14,596		14,596	14,693	(97)
Executive and Support Services	15,776	2,400	18,176	14,801	3,375
Contingencies (All Ministries) and New Programs	320,000				
Transfer to Ministries		(289,711)	30,289		30,289
Negotiating Framework Incentive		1,000,000	1,000,000		1,000,000
Total	366,571	712,689	1,079,260	48,114	1,031,146
Full-time Equivalents (FTEs)					
Crown Agencies Secretariat	10		10	14	(4)
Financial and Economic Performance and Analysis	65		65	63	2
Financial Governance, Accounting and Reporting	117		117	117	0
Treasury	74		74	74	0
Financial and Corporate Sector Services	144		144	148	(4)
Public Sector Employer's Council	13		13	13	0
Executive and Support Services	145		145	99	46
Total	568		568	528	40

Core Business Areas	Estimated	Other Authorizations	Total 05/06 Estimated	Total 04/05 Estimated	Variance from 04/05 Estimated
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)					
Crown Agencies Secretarial	18		18	18	0
Financial and Economic Performance and Analysis	45		45	45	0
Financial Governance, Accounting and Reporting	215		215	215	0
Treasury	1,631		1,631	2,032	(401)
Financial and Corporate Sector Services	2,604		2,604	2,301	303
Public Sector Employer's Council	3		3	98	(95)
Executive and Support Services	1,036		1,036	830	206
Total	5,552		5,552	5,539	13

Insurance and Risk Management (IRMA)	Estimated	Other Authorizations	Total 05/06 Estimated	Total 04/05 Estimated	Variance from 04/05 Estimated
Operating Expenses (\$000)	0	0	0	0	0
FTEs	46	0	46	43	3
Ministry Capital Expenditures (\$000)	20	0	20	725	(705)

¹ Estimates as presented to the Legislative Assembly on September 14, 2005.

² "Other Authorizations" includes \$2.4 million access to Contingencies for repairs and maintenance to Government House.

*Ministry of Finance
Public Affairs Bureau*

**2005/06
Annual Service Plan Report**



The Best Place on Earth

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Highlights of the Year

Throughout the 2005/2006 fiscal year, the Public Affairs Bureau (PAB) has supported government priorities by communicating the province's policies and programs to the public in a proactive, consistent and informative manner. Following are some examples of key initiatives and announcements supported by the Bureau:

- **Negotiating Framework** — PAB provided strategic and tactical communications support for the government's Negotiating Framework file. PAB staff performed a liaison function with key labour relations ministries and employers to ensure communications planning, coordination of information flow, alerts on emerging issues, media relations and media summaries.
- **Central Coast and North Coast land use decisions** — A video and print news releases were distributed by PAB to more than 135 countries and more than 80,000 journalists. As a direct result of using this service, the announcement achieved more than 350 media hits. International media included London, South Africa, Germany and Russia. The announcement also made the front page of the New York Times, the Washington Post and the Los Angeles Times.
- **Providing British Columbians with information on government programs, policies and services** — PAB staff worked with ministry program staff to develop and implement several campaigns such as: helping seniors live well campaign which promoted changes to the Shelter Aid for Elderly Renters (SAFER) and Seniors Supplement; the QuitNow campaign to inform smokers about the tools and information available to help them quit smoking; the Fire Smart campaign to remind British Columbians about ways they can help to prevent forest fires; and the When Your Luck Runs Out campaign to promote the problem gambling help line. The Seniors' campaign increased calls to the Seniors' Information Line by 35 per cent.
- **Introduction of Really Simple Syndication (RSS) News Feeds** — The Writing Services and Online Communications units collaborated on the introduction of new RSS technology that allows the public to subscribe to government news feeds at no charge so they receive government news releases instantly when they are published to the Internet. The technology allows wider distribution of materials with no additional ongoing administrative work or costs for the Bureau.
- **Government announcements and events** — PAB staff coordinated over 100 government announcements and events, including the government display exhibit at the Union of BC Municipalities convention and the 2006/07 Budget lockup and related activities. The Bureau's Writing and Editorial Services Unit issued a total of 736 news releases in 2005/2006.
- **Brochures, reports and display aids** — Bureau staff worked on over 280 design projects (including brochures, reports and display aids to support government communications) and produced over 200 print display advertisements.

- **Online Communications** — PAB published mini-websites in support of current issues of the day (i.e., Teachers, BC Child Protection, Spirit Bear, Negotiation Framework; developed new templates so ministries can revamp their websites; and, enhanced the government website with audio and video web casts on the BC Government Media Room.
- **Annual Budget Lockup** — each year PAB staff organize the largest press conference in the province: the annual budget lockup. It is an event that brings together all of the province's major media, senior staff from across government, and a highly diverse group of stakeholders. Months of planning and preparation are required to ensure that lockup participants have the facilities and information they need to properly analyze the budget and communicate it to their audiences and members. PAB staff prepare a wide range of communications materials to supplement the technical documents, including news releases, backgrounders, highlights packages, web presentations, and translated materials for B.C.'s growing multicultural community. The Bureau provides audio-visual equipment to support the finance minister's presentation, and arranges technical facilities for about 100 journalists and more than 200 stakeholders. Media Relations Officers assist journalists and others with questions about the budget. All of this work is accomplished in a secure environment so that details of the budget are not released prior to the minister delivering the budget speech in the House.
- **Small Business Roundtable** — announced in October 2005, PAB staff supported the permanent Small Business Roundtable, which provides a platform for ongoing dialogue with small business owners and operators across British Columbia. To date, the Roundtable has held 18 sessions at various locations across the province. Lists of issues and opportunities arising from these sessions are compiled for the Minister of Small Business and Revenue on an ongoing basis.
- **Provincial Sales Tax Review** — this Review involves a series of consultations with small business, industry and individuals to obtain their input on revenue-neutral ways to streamline, simplify and enhance the fairness of provincial sales tax. PAB staff prepared media advisories and news releases, as well as speaking notes for events occurring before and after sessions (e.g., chamber of commerce breakfasts). Where possible, visits to local retailers have provided quality photo opportunities and timely photo updates for the ministry website.
- **BC launches initiative to reduce surgery wait times** — a \$60.5 million initiative to reduce wait times for hip and knee surgeries and maximize the number of surgeries was announced at a news conference held at the University of British Columbia Hospital. PAB staff were involved in the strategic communications to support the wait list management strategy. This included two technical briefings to the media (including one video conferencing briefing between Victoria and Ottawa), news releases, speaking notes, proactive and reactive media management, presentations and overhauling the surgical wait list website to make it more reliable, dependable and rigorous.
- **BC first to fund drug to benefit breast cancer patients** — B.C. was the first province to approve and cover the cost of the drug Herceptin for all eligible breast cancer patients. The announcement was made through coordinated media relations between the Ministry of Health, the Provincial Health Services Authority and the BC Cancer Agency.

- **Ongoing funding increase for youth addictions and crystal meth** — B.C. increased annual funding by \$8 million for crystal meth treatment options and youth addictions services, including increasing bed capacity for youth with addictions and building treatment programs and supports for crystal meth users. PAB staff coordinated the news conference in Vancouver and coordinated a series of unified regional news releases through each of the five regional health authorities.
- **Health Insurance BC continues to deliver record level of service** — throughout 2005/06 the PAB staff managed the issues around the transfer of the Medical Services Plan and PharmaCare services to Health Insurance BC, operated by Maximus BC. It culminated in a news release announcing all services levels had been met. PAB staff were instrumental in assisting in public reports on the quarterly performance and ensuring that the goals, purposes and objectives were communicated.
- **Report on health care options for Surrey Memorial Hospital** — PAB staff coordinated the response to recommendations in December 2005 in a government-endorsed report to relieve demand at Surrey Memorial Hospital and allow for future service. PAB organized the release of the report, issues management, a news conference in Surrey, tour of the new unit in cooperation with communications staff at Fraser Health.
- **ActNow BC** — PAB staff are actively communicating the cross-government ActNow BC program. In 2005/06, this included organizing events announcing \$30 million in health promotion through partnerships with the BC Healthy Living Alliance and 2010 LegaciesNow. PAB also helped communicate the launch of measures to improve student health through the investment of \$3.8 million to help improve the health of B.C. students. PAB also was instrumental in legislative amendments to the *Tobacco Sales Act* that were successfully introduced to reduce sale of tobacco to minors. Additional ActNow BC initiatives communicated by PAB in news releases, at events and in overall messaging across government. Other events with PAB involvement included \$4.2 million through ActNow BC to provide B.C. communities with information, resources and support for healthy lifestyles; a \$5-million grant in April 2005 to the Union of BC Municipalities to help kick start local government involvement in building healthier communities throughout the province.
- **Mining Job Fairs Promote Careers in Booming Industry** — The Mining Rocks — Career and Job Opportunities Tour 2006 made more than 20 stops throughout British Columbia during the months of February, March, April and May. By hosting a job fair dedicated to careers in mining and mining-related fields, the ministry was able to connect local residents with the high-paying jobs being created and at the same time support the continued expansion of this important industry in B.C. PAB staff prepared news releases and media advisories, as well as speaking notes and administrated advertising in print and radio to promote the job fair venues. Bureau staff also provided publication and communications collateral management to assist in the development of a suite of communications materials to promote the job fairs. A webpage was also established to advertise and support the initiative.
- **Thompson Rivers University** — the new Thompson Rivers University, the University of British Columbia Okanagan, and Okanagan College all opened their doors to students in 2005/2006. PAB staff worked closely with the new institutions on various events

to celebrate the expansion of educational opportunities in B.C.'s Interior and to link the development of these institutions with the 25,000-seat expansion of the province's public post-secondary education system. Products developed included news releases, backgrounders, speaking notes and communications plans.

- **Firefighters' cancer risk recognized** — changes to the *Workers Compensation Act* have put B.C. among the leaders in recognizing the increased cancer risk faced by professional and volunteer firefighters. In October and November of 2005, legislation was introduced to recognize certain cancers as occupational diseases associated with long-term employment as a firefighter. PAB staff helped coordinate a recognition event with more than 100 members of the B.C. Professional Firefighters' Association in the rotunda of the Legislature, including news release writing, timely web posting of photos from the event and providing a commemorative scroll for the occasion.
- **Making B.C. the best-educated, most literate jurisdiction on the continent** — to help fulfill that goal, PAB staff coordinated a series of announcements and events, including the Province's distribution of a set of booklets to parents of kindergarten and Grade 1 students. The booklets — *Reading for Families* and *Writing for Families* — provide useful tips, ideas and activities for parents and guardians who want to help their children with reading and writing at home. Both booklets were written by PAB staff with assistance from program staff, and the Bureau's graphics staff to create the overall look of the booklets (graphics, photographs, layout, etc.). PAB staff planned an event at a Vancouver elementary school and prepared a news release and speaking notes for Minister Bond. At the event, Minister Bond worked with students on an activity suggested in one of the booklets (i.e., a word hunt).
- **Minister Bond's tour of B.C. school districts** — a commitment made in the Speech from the Throne — PAB staff have created and maintain a website that enables the general public to track the Minister's progress including the Minister's journal entries, highlights of the tour and photographs, school district information and a provincial map. In addition, Bureau staff provided media relations support during the Minister's visits to school districts and provide the Minister with profiles of each district.
- **Crystal Meth** — helped to promote government's commitment to deal with the growing problem of crystal meth. After the Premier announced a \$7 million dollar, fully integrated meth strategy under the auspices of the ministry's own Crystal Meth Secretariat, PAB staff (PSSG) supported the initiative by helping to organize a series of highly successful community forums across the province in Vancouver, Kamloops, Prince George, Courtenay and Richmond. In addition, an event with Union of BC Municipalities and key stakeholders helped to promote a \$2 million community grant program to help fight the meth problem at a grassroots level. Bureau staff also produced a brochure and facilitated media interviews on this important topic for the minister. This announcement was made on site at an event at the Vancouver Coastal Health authority and was attended by all major media. PAB staff are now working with the Crystal Meth Secretariat on a public and school based information campaign to further raise awareness of this dangerous drug.
- **Queen of the North Ferry Sinking** — following the sinking of a BC ferry near Hartley Bay March 21, 2006, PAB sent staff to Prince Rupert and coordinated the Incident Command Centre. Communications tools included a dedicated website with information

bulletins, news releases, technical information updates, and charts, which made for quick and easy access for media. PAB staff also organized a visit to the area by the Environment Minister, who toured the spill site. PAB continues to field media requests, which now go through the Environmental Protection staff.

- **Cheakamus River CN Rail Derailment** — after a CN Railways train derailed August 5, 2005, spilling caustic soda into the Cheakamus River and killing all fish present in that part of the river at the time, PAB staff worked with other agencies such as the Federal Department of Fisheries and Oceans, the Squamish First Nation and the District of Squamish. A multi-partnered task force was struck to develop a recovery plan for the Cheakamus River. Bureau staff set up internal communications protocols with task force members and provided regular media updates focused mainly at providing accurate information to all stakeholders. Also organized event for the Environment Minister, who helped stock pink salmon smolts into the Cheakamus. Main area of contention for public affairs to deal with was whether ministry would restore habitat naturally, or stock the river with hatchery steelhead.
- **The New Relationship** — the Ministry of Aboriginal Relations and Reconciliation developed a partnership with the leaders from the First Nations Summit, the Union of BC Indian Chiefs, and the Assembly of First Nations (Leadership Council) that resulted in a New Relationship — an agreement between government and First Nations to develop cooperative approaches to manage land and resource development and improve socio-economic conditions for First Nations across the province. PAB staff have played and will continue to play a significant role in communicating this initiative to the public.
- **First Ministers Meeting on Aboriginal Issues in Kelowna** — this national gathering was the first of its kind between First Ministers and Aboriginal Leaders in more than a decade. The Prime Minister, Provincial Premiers and Aboriginal leaders from around Canada committed to a joint plan to improve health, housing, education, economic development and improving government relations with First Nations and Aboriginal people over the next decade. PAB staff played a key role in liaising with the federal government, the Premier's office and First Nations to organize this event and communicate messages about its significance to a national audience.
- **Enacted the \$100-million New Relationship Trust Act** — which will provide long-term capacity-building funding for First Nations. Announced in the September 2005 Budget Update, PAB staff supported the Minister and ministry with a range of materials to communicate the details about this trust fund and its goals to the public.
- **Contributed an additional \$1 million towards First Nation language preservation** — this funding will support language immersion programs and the expansion of First Voices technology into Aboriginal communities. This reconciliation initiative and funding announcement was made by the Premier during the First Citizens Forum at the Wosk Centre in Vancouver. PAB staff coordinated the event and associated communications materials for the Minister, Premier and senior executive staff.
- **Signing of two Agreements-in-Principle with the Yekooche and Yale First Nations.** — PAB staff prepared suite of publication materials, and organized tripartite provincial approval and tripartite signing ceremonies.

- **Community Action Grants for Women's Safety** — is a \$1 million program enabling community and provincial organizations to develop collaborative and lasting projects that address domestic violence. Priority is given to projects that address safety for Aboriginal women, immigrant and visible minority women, older women, and women with disabilities. In January 2006, PAB staff distributed a province-wide news release announcing the program, and also helped facilitate a print advertising campaign that encouraged community groups to apply for funding. In March 2006 the Bureau issued news releases announcing grant recipients. In the fall of 2006 Bureau staff will provide communications support for a best practices conference, where grant recipients will share their experiences.
- **Women's Mentoring Project** — PAB staff assisted with the launch of a new mentoring project called Empowered to Work. This project makes the mentoring programs of four well respected organizations (Minerva, Young Women's Christian Association (YWCA), GT Hiring Solutions and the Women's Enterprise Centre) available to women entering or re-entering the workforce. As one of the mentoring programs involves women in the trades, Bureau staff arranged for the Minister to make the initial announcement at a working construction site. The strong visuals helped garner significant media coverage.
- **Release of the Gateway Program Definition Report** — the announcement of the completion of the Gateway Program Definition Report was made on January 31st, 2006. The Gateway Program is our plan to meet the needs of our growing economy, increasing Asia-Pacific trade, and a growing population. PAB was responsible for coordinating the announcement and providing the materials for the Premier's speech and visual presentation. To support the announcement, staff organized a news conference and provided a news release, background material and report documents. This event resulted in extensive positive media coverage from all major media outlets in the Lower Mainland.
- **Building public confidence in the justice system** — PAB staff support the Attorney General and ministry in building public confidence in the justice system. Bureau staff are often challenged to present complicated technical and legal information to media in a timely way that the public can understand. In 2005/2006, to promote openness and transparency in communications, Bureau staff provided technical information to media on two high profile cases: expenses of the Air India trial, and the appeal and subsequent decision of the Jenny Woloshyn case. Staff organized media briefings with the Attorney General as lead spokesperson and ministry staff for support and, for Air India, provided fact sheets detailing expenditures. The media briefings on the Jenny Woloshyn case were well-attended and contributed to positive, accurate media coverage of the issue.
- **Promoting B.C.'s cultural diversity** — PAB staff also work to promote B.C.'s cultural diversity as one of the province's greatest advantages. In 2005/2006 Bureau staff worked to improve government presence in ethnic media with the submission of bi-weekly op-eds on topics that are timely and relevant to the Indo-Canadian and Asian communities. The op-eds are translated and receive good pickup in major ethnic media. In addition, the Bureau staffed very popular booths at the Chinese Lunar New Year Festival and the Vasaikhi parade where hundreds of translated government publications were distributed to the Chinese and Indo-Canadian community.

- **Building a strong economy and business climate in B.C.** — The Ministry of Economic Development continued to contribute toward building a strong economy and business climate in B.C. through 2005/06. As B.C. took advantage of excitement and preparations for the Vancouver 2010 Olympic and Paralympic Games and a growing and prosperous economy, PAB staff delivered high quality, high impact communications support to support the ministry's achievements including: over 130 news releases on infrastructure announcements (regional and province-wide); 29 news releases completed as new Ministry of Economic Development with responsibility for Asia Pacific and the Olympics; over \$5 million in earned media (domestic, national and international) for BC Canada Place in Torino, Italy — public relations value is estimated at \$30 million with an audience reach of 47 million during three months; BC Canada Place hosted over 100,000 visitors at Torino Winter Olympics; launched the Guide for Business Opportunities in the 2010 Olympic and Paralympic Winter Games. This publication gives companies early access to information, and advice about how they can grow and prosper from the 2010 Winter Games; to support the vision of the new minister, PAB staff created a 'vision' speech for the Minister which was redrafted into 50 individual speeches for speaking opportunities; provided logistical support for the Minister's trip to Asia (China, Hong Kong and Japan) over three weeks involved planning with four embassies and countless event organizers to create over 23 speeches and greetings for over 83 events and development of media plans for three countries with a dozen reporters based in Asia and coordination with domestic and ethnic media with media advisories, fact sheets, trade data, itineraries and news releases.
- **Creating balance in public discussion** — one of the key roles of the Public Affairs Bureau is to stimulate public discussion of topical issues, while ensuring this dialogue is balanced and informed with accurate information. Reform of B.C.'s income assistance system, for example, is one such public policy area where discussion is ongoing and often emotional — with news stories, editorials and letters-to-the-editor regular features in community and daily papers around the province. For example, the PAB Employment and Income Assistance Communications Office, is encouraging fact-based public discussion by correcting misinformation about the government's policies, programs and supports for low income British Columbians — and putting forward clear explanations of how the public benefits. In the last half of the 2005/06 fiscal year, PAB staff have sent 25 responses to newspapers throughout B.C., with a publication rate approaching 60 per cent. Letters have been printed in communities including Victoria, Duncan, Nanaimo, Campbell River, Penticton, Vernon, Kamloops, Clearwater and Prince George.
- **Mountain Pine Beetle Action Plan** — created new display on government's mountain pine beetle action plan for trade shows, conferences, backdrops for events; announced how \$100 million federal funding for mountain pine beetle would be spent at Premier's news conference in Vancouver (led BCTV Noon news that day and front page of Globe and Mail Business Section above the fold with photo); announced at separate events in 100 Mile House (April) and Prince George (September) funding to support the Cariboo Chilcotin Beetle Action Coalition and Omineca Beetle Action Coalition economic diversification business planning; and as announced at an event at the University of British Columbia, \$1.4 million to a Chair in Advanced Wood Processing — seeking out new uses for beetle-wood and new value-added wood products.

- **First Nations Forestry Agreements** — demonstrated government's commitment to the New Relationship through continuing to sign forestry agreements with First Nations; and, at an event held concurrent to the annual Truck Loggers Annual Convention in downtown Vancouver, celebrated the signing of a forestry agreement with the 100th First Nation, Leqamel, from the Fraser Valley.
- **BC Sport Event Hosting and Resort Guide** — created and funded in partnership with the Ministry of Tourism, Sport and the Arts, 2010 LegaciesNow and Tourism British Columbia, the BC Sport Event Hosting and Resort Guide has been developed as an online database. PAB staff facilitated the announcement of the guide at British Columbia-Canada House in Torino the day before the opening of the 2006 Winter Olympic Games. PAB contributions to the launch included news release and backgrounder, event planning, Qs&As, and speaking notes for Minister and Deputy Minister.

Purpose, Vision, Mission and Values

Purpose

The Public Affairs Bureau leads and coordinates communications with internal and external stakeholders, ensuring that citizens are informed about government policies, programs and services and that information is communicated in an open and transparent manner.

Clients include citizens of British Columbia, members of the media, the Premier's Office, members of Cabinet, senior government officials and ministry program staff.

Vision

British Columbians are informed of government policies and programs and form opinions based on fact.

Mission

To provide a framework that supports communication of government policies and programs benefiting all British Columbians.

Values

In pursuit of our vision and mission, members of the Public Affairs Bureau will act in accordance with the following values:

<i>Accountability</i>	<i>To enhance efficiency, effectiveness and value in public service.</i>
<i>Integrity</i>	<i>To conduct ourselves in an ethical, honest, consistent and professional manner.</i>
<i>Responsibility</i>	<i>To deliver affordable client-centred service and stewardship on behalf of citizens.</i>
<i>Respect</i>	<i>To treat those we serve, and each other, with respect, courtesy, fairness, dignity and trust.</i>
<i>Innovation</i>	<i>To foster creativity and performance in the delivery of quality services.</i>

Strategic Context

Looking Ahead

By looking at the next three years and beyond, the Public Affairs Bureau will establish goals and objectives that will see British Columbians, Canadians and citizens of the world well informed about the province's policies, benefits, programs and services.

While continuing to support issues management and the use of traditional communications tools, the Bureau will expand into a different level of communications — one that balances reactive issues management with proactive communications messaging. There must be communications research, strategic planning, input into major submissions and policies so that proactive strategies can be developed. Given the competition in the market place to “attract the public's eye and ear”, we must use new, innovative, ways to reach our target audiences whether at the grass roots of our communities or international investors.

Some of the strategies we will employ include:

- Providing additional resources in key areas of government such as health care, children and family development, the Olympics and strategic planning;
- Making information more accessible, timely and relevant through a variety of traditional and non-traditional means;
- Reaching out to ethnic communities/press and client of government programs and services (such as senior, small business operators, families, etc.);
- Making information more accessible in grassroots communities and to international media through innovative technologies and stakeholder relations;
- Communicating with British Columbians through both the use of traditional mechanisms (announcements, paid and earned media) but also by introducing new marketing approaches to ensure our messages are reaching citizens at the grassroots (for example, partnerships with the private sector to distribute info to seniors with their prescriptions, partnerships with other public sector organizations to distribute information such as BC Hydro billing inserts or messages printed on BC Ferry ticket stubs);
- Expanding use of e-services in support of cross government initiatives and/or themes (for example, Achieve BC, ActNow BC, or the soon to be launched seniors site, etc.);

There is an opportunity to achieve some very real gains using the power of communications to reach out to the grassroots of our communities and to strengthen our relationship with the media not only in the regional markets of British Columbia but across North America and around the world.

Much has been achieved over the last four years and British Columbia has a powerful story to tell. We will move past the reactive and towards becoming more engaged and proactive in telling this story of accomplishment across ministry lines, across the province and around the world.

Risks and Opportunities

Existing resources within the Public Affairs Bureau are fully engaged in issues management with little opportunity to engage in proactive communications planning. While issues management is critical to protecting the reputation of government, providing our key audiences with proactive and balanced information is key to enhancing public confidence and balance. Getting ahead of issues and providing context to British Columbians can significantly reduce the risks.

The ability to creative proactive strategies which link to the Five Great Goals and straddle cross government priorities will be key to both the management of risk and taking full advantage of the skills reflected in the PAB team and opportunities to serve and inform citizens.

Linkage to the Five Great Goals

Public Affairs Bureau contributes to all Five Great Goals by:

- Communicating the province's policies and programs to the public in a consistent, informative and timely manner.
- Ensuring that themes identified in the government strategic plan are reflected in communications strategies as appropriate.

Cross Ministry Initiatives

Cross ministry initiatives the Bureau is leading:

- Development of cross-ministry communications strategies (for example, seniors, international and domestic branding)

Cross ministry initiatives the Bureau is involved in:

- Labour file
- ActNow
- Crystal meth
- First Nations
- Economic performance
- 2010 Olympic and Paralympic Winter Games
- Expanding reach to ethnic community/press
- Repositioning the Public Service

Service Delivery and Core Business Areas

The Public Affairs Bureau leads and coordinates communications with internal and external stakeholders, and ensures that information about government programs and services is accessible to British Columbians.

Clients include the people of British Columbia, members of the media, the Premier's Office, members of Cabinet, and ministry program staff.

Supported by 201 FTEs and approximately \$34.4 million, the Bureau has three core business areas each of which has specific responsibilities for the provision of programs and services.

1. Communications Services

Provides direction, advice and staff to support the communications needs of ministries. Teams of communications professionals are assigned to, and co-located with, each ministry. Services include provision of fact-based information, communications planning, media relations, news releases, speech writing, on-site support for ministry events, and developing online applications in support of new initiatives. This area is supported by approximately 156 FTEs.

2. Communications Support Services

Provides a wide range of support services to communications staff assigned to ministries. Services provided include logistical support, writing and graphic design services, event management, online clipping service and technical support to the Press Theatre in the Legislature. This area is supported by approximately 28 FTEs.

3. Operations and Human Resources

Provides a full range of human resource services to facilitate the recruitment, retention and development of Public Affairs Bureau staff and provides a full range of corporate support services including corporate planning, budget management, financial reporting, contract administration, accounts payable, information systems planning and administration, procurement services, facilities planning and records management. This area is supported by approximately 17 FTEs.

Report on Performance

Performance Plan Summary Table

Synopsis of Ministry Performance Measure Results

Public Affairs Bureau supports the Five Great Goals by communicating the province's policies and programs to the public in a consistent and informative manner and communicating fact-based information to the public. The figure below illustrates how the Public Affairs Bureau's goals and objectives are aligned with, and contribute to, the success of government's Five Great Goals.

Five Great Goals	Public Affairs Mission To provide a framework that supports communication of government policies and programs benefiting all British Columbians.			
	Public Affairs Goals	Public Affairs Objectives	Performance Measure	Results
Communicate the province's policies and programs efficiently and effectively in support of the Five Great Goals ¹	1. Government communicates its policies and programs to the public in an open and transparent manner.	1. Communication of government's policies and programs to the public in a consistent and informative manner.	- Percentage of ministry service plans published on the government website. - Percentage of ministry annual service plan reports published on the government website.	Achieved
		2. Communication of fact-based information to the public.	Provide timely responses to the media.	Achieved
	2. A leader in innovative business and people practices.	1. Performance focused workforce.	Per cent of staff with a formal Performance Review.	Data unavailable
		2. Learning and innovative organization.	Per cent of staff who agree they have adequate opportunities to develop their skills.	Data unavailable

The Five Great Goals are:

1. Make British Columbia the best educated, most literate jurisdiction on the continent.
2. Lead the way in North America in healthy living and physical fitness.
3. Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk, and seniors.
4. Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.
5. Create more jobs per capita than anywhere else in Canada.

Goals, Objectives, Strategies and Performance Measures

Goal 1: Government communicates its policies and programs to the public in an open and transparent manner.

Communication of government policies and programs will provide British Columbians with the information needed to understand government programs and policies and the challenges the government faces through a variety of sources including Members of the Legislative Assembly, media, public events and forums, public policy studies, fact-based public information and awareness initiatives as well as a variety of communications support materials.

Objective 1: Communication of government's policies and programs to the public in a consistent and informative manner.

Ensuring all British Columbians have access to or receive consistent information regarding government's policies and programs is essential to informing British Columbians of government planning decisions and accomplishments.

Performance Measure:

Government's ability to communicate policies and programs to the public in a consistent and informative manner can be measured by the percentage of ministry service plans and annual reports posted to the government website.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Percentage of ministry service plans posted to the government website.	N/A	100%	100%	100%	100%	None	Target achieved
Percentage of ministry annual service plan reports posted to the government website.	N/A	100%	100%	100%	100%	None	Target achieved
Selection Rationale Ministry service plans are an effective mechanism for communicating consistent information to all British Columbians regarding government's policies and programs. Ministry services plans are profiled and accessible from both the government home page as well as individual ministry home pages.							
Variance Explanation No variance — target met.							
Data Sources and Issues Government Internet							
Changes to the Measure None							

Objective 2: Communication of fact-based information to the public.

Ensuring British Columbians have access to or receive fact-based information regarding government policies and programs is essential to allowing British Columbians to form opinions based on fact and allows for informed public debate on decisions taken.

Performance Measure:

Government's ability to communicate fact-based information to the public can be measured by response times to media enquiries and public response to fact-based public information and awareness initiatives. Performance for individual initiatives is measured depending on the nature of the project. Performance may be measured by increased demand for services (for example, web services), requests for supporting materials, and increased consumer contact with ministry service outlets.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Provide timely response to the media.	N/A	Media responses provided 24 hours per day, seven days per week	Media responses provided 24 hours per day, seven days per week	Media responses provided 24 hours per day, seven days per week	Media responses provided 24 hours per day, seven days per week	None	Target achieved
Selection Rationale The public is largely informed of government program and policy decisions by the media. Quick response to the media enables government to provide timely, comprehensive and accurate information.							
Variance Explanation No variance — target met.							
Data Sources and Issues Media Relations staff							
Changes to the Measure None							

Goal 2: A leader in innovative business and people practices.

The Bureau recognizes its dependence upon the support and professionalism of a highly skilled and knowledgeable workforce. By attracting, retaining and developing staff, government will develop a team of qualified communications professionals dedicated to the delivery of top-notch communications services and a team of qualified, specialized staff to support them. Over the coming years, the Bureau will pursue additional opportunities to provide its employees with recognition, support and career opportunities.

Objective 1: Performance focused workforce.

Performance Reviews and Employee Performance and Development Plans: EPDPs provide an important linkage between the activities of individuals, their business unit and the organization as a whole. Identifying performance expectations within EPDPs also supports greater accountability and improves communication between staff and supervisors.

Performance Measure:

Performance will be measured by identifying the percentage of staff with EPDPs in place commencing 2005/2006.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Percentage of staff with a formal performance review (i.e., EPDP) in the last year.	N/A	N/A	N/A	TBD	Data unavailable	Data unavailable	Unknown
Selection Rationale Formal Performance Reviews including the development of Employee Performance Development Plans (EPDPs) provide an important linkage between the activities of individuals and the strategic direction of their business unit and the ministry as a whole. Identifying performance expectations within EPDPs also supports greater accountability and improves communication between staff and supervisors. Finally, the EPDP exercise also provides staff with an opportunity to explore their personal growth and development objectives.							
Variance Explanation No variance — baseline to be established.							
Data Sources This measure is a core question in the Work Environment and Employee Engagement Survey distributed to staff. The survey is delivered electronically, analyzed and reported by BC Stats using E-Surveyor software. Limitations of the data: Data unavailable at this time.							
Changes to the Measure Internal measure that will not appear in 06/07 Service Plan.							

Objective 2: Learning and Innovative Organization.

Government has moved to a model focused on flexibility, evidence-based risk taking and accountability for results. This shift requires a knowledgeable and innovative workforce. The Bureau will actively encourage the development of new skills based on formal and non-traditional learning opportunities.

Performance Measure:

Providing staff with additional learning opportunities will increase skill capacity within the Bureau, benefiting our employees and enhancing the quality of our services. Performance will be measured by surveying staff to determine the percentage of staff that agrees that learning and development opportunities are available.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Percentage of staff who agree they have adequate opportunities to develop their skills.	N/A	N/A	N/A	TBD	Data unavailable	Data unavailable	Unknown
Selection Rationale Providing staff with ongoing learning and development opportunities will enhance the quality of service and improve staff retention.							
Variance Explanation No variance — baseline to be established.							
Data Sources This measure is a core question in the Work Environment and Employee Engagement Survey distributed to staff. The survey is delivered electronically, analyzed and reported by BC Stats using E-Surveyor software. Limitations of the data: Data unavailable at this time.							
Changes to the Measure Internal measure that will not appear in 06/07 Service Plan.							

Report on Resources

Resource Summary

The Public Affairs Bureau ended the 2005/2006 fiscal year with a \$9.434 million surplus largely attributable to lower than anticipated spending on government advertising. The pre-election advertising ban, the election itself and the subsequent restructure of government and changes in Cabinet assignments resulted in reduced advertising activities.

Core Business Areas	Estimated	Other Authorizations	Total Estimated	Actual	Variance
Operating Expenses (\$000)					
Public Affairs Bureau	34,358		34,358	24,924	9,434
Total	34,358		34,358	24,924	9,434
Full-time Equivalents (FTEs)					
Public Affairs Bureau	201		201	197	4
Total	201		2010	197	4
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)					
Public Affairs Bureau	485		485	153	332
Total	485		485	153	332

Annual Report Appendices

Appendix 1 — Significant Service Plan Changes

The Public Affairs Bureau recognizes that all goals and performance measures reported in the *2005/06–2007/08 Service Plan Update September 2005* are important; however, focusing on our external performance measures will allow the Bureau to better define its success in achieving its goals and objectives.

The following internal goal and associated performance measures have been removed in the 2006/07–2008/09 Service Plan:

Goal 2: A leader in innovative business and people practices.

1. Percentage of staff with a formal Performance Review.
2. Percentage of staff who agree they have adequate opportunities to develop their skills.

The following goal and performance measures have been added to the 2006/07–2008/09 Service Plan:

Goal 1: Inform citizens of government policies, programs and services.

1. Percentage of major communications plans/campaigns with evaluation mechanisms.
2. Performance monitoring to be undertaken with client ministries.
3. In partnership with ministry program staff provide timely briefings to ministers on emerging issues.

In addition, changes have been made to the performance measure included in the 2006/07–2008/09 Service Plan regarding responses to media enquiries. By analyzing callback rates we will have a better understanding of where improvements are needed making the performance measure more meaningful.



*Ministry of
Forests and Range
and Minister Responsible
for Housing*

**2005/06
Annual Service Plan Report**



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For more information on the British Columbia
Ministry of Forests and Range, contact:

PO BOX 9515
STN PROV GOVT
VICTORIA BC
V8W 9C2

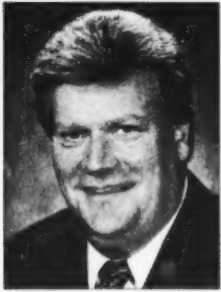
or visit our website at
<http://www.gov.bc.ca/for>

Office of Housing and Construction Standards, contact:

PO BOX 9844
STN PROV GOVT
VICTORIA BC
V8W 9T2

or visit our website at
<http://www.housing.gov.bc.ca>

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Message from the Minister and Accountability Statement

During 2005/06 the Ministry of Forests and Range made significant progress on its service plan goals for the province's forest and range resources.

Over the last year, forest worker safety has emerged as a number one priority. The ministry acted by hiring two dedicated safety officers in the ministry. The ministry also has two seats on the B.C. Forest Safety Council and is a strong supporter of the council's initiatives, including the requirement that companies be Safety Accord Forestry Enterprise (SAFE) certified by the Council by fall 2007.

Mitigating economic and environmental impacts of the mountain pine beetle epidemic remains one of our top priorities. Over the last year, I created a new mountain pine beetle response team to lead government's Mountain Pine Beetle Action Plan and co-ordinate action between agencies. The team is working to recover the greatest value from dead timber before it burns or decays to reduce damage in areas that are not yet infected and restoring the forest resources in those areas that are affected by the epidemic. In addition they are working cooperatively with communities on economic diversification planning and have solidified a partnership with First Nations in beetle-affected areas.

As part of moving ahead on the New Relationship with First Nations, by March 31, 2006, we signed agreements with over 100 First Nations providing access to over 15 million cubic metres of timber and more than \$130 million in revenue sharing.

A new Range Branch was established within the ministry to support and promote a vigorous and world competitive livestock industry.

This spring we amended log grades in the Interior to more accurately reflect the quality of beetle-attacked wood and to facilitate the July 1st implementation of a new market-based timber pricing system.

As Minister Responsible for Housing, I am excited about the progress we have made since the creation of the Office of Housing and Construction Standards bringing together varied housing programs under one roof, allowing us to find new ways to provide affordable housing options and improved access to safe and stable housing for all British Columbians.

The Premier's Task Force on Homelessness, Mental Illness and Addictions is advancing on its work to address affordable housing. Through a unique series of partnerships amongst three levels of governments, First Nations and the non-profit sector, the group is undertaking 12 housing developments in nine communities throughout the province. The working group was recognized this year by a Premier's Award in Innovation and Excellence in B.C. public service programs.

We are working to ensure housing options meet the diverse needs of British Columbians. Over the last year, we doubled the funding to SAFER, Shelter Aid for Elderly Renters,

providing financial assistance to nearly 13,000 seniors. Through the Provincial Homelessness Initiative, we have worked with communities hit hardest by homelessness to allocate 533 new units of transitional housing and committed funding for 450 additional units. We have also expanded our successful homeless outreach program, reaching out to the homeless at the grass roots level to help them find housing and support services.

This spring we amended legislation to provide consumer protection for tenants and landlords of supportive housing and assisted living facilities, providing them with a simple and inexpensive way to resolve disputes. Amendments to the *Safety Standards Act* help local authorities target and shut down marijuana grow operations more quickly and efficiently.

The 2005/06 Ministry of Forests and Range and Minister Responsible for Housing Annual Service Plan Report compares the actual results to the expected results identified in the ministry's 2005/06–2007/08 *Service Plan Update*. I am accountable for those results as reported.



Honourable Rich Coleman
Minister of Forests and Range
and Minister Responsible for Housing

June 30, 2006

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PART A

Forests and Range

Highlights of the Year

The past year was filled with challenges for British Columbia's forest sector.

The mountain pine beetle infestation, increasingly competitive international markets and weak economic conditions on the Coast focused the ministry's resources and continued to test the industry's ability to adapt and grow.



But there were many accomplishments as well. British Columbia played a key role in developing the Canadian Wildland Fire Strategy to help protect communities and accelerate improvements to the provincial and national wildfire infrastructure. The ministry also continued its fuel management initiative to protect B.C. forests from wildfires and prepared 60 community wildfire protection plans. As well the BC Competition Council submitted its report on how to make the forest sector more globally competitive, and for the first time in nearly 10 years an end to the softwood lumber dispute is in sight.

The ministry has increased the allowable annual cut in areas affected by the mountain pine beetle to gain value from these trees before they decay; extensive single tree treatments have also been carried out to minimize the spread of the infestation into Alberta.

The Province also announced a New Relationship with First Nations — a relationship based on reconciliation, recognition and respect. This understanding helped facilitate the signing of another 29 forestry and range agreements/opportunities that share timber access and revenue with First Nations.

Other progress towards the ministry's goals and objectives in 2005/06 included the following:

Sustainable Forest and Range Resources

- Continued transition to full implementation of results-based forest practices under the *Forests and Range Practices Act* and introduction of the *Forest and Range Practices Act* Resource Evaluation Program.

- Released a report on the Future Forest Ecosystems of BC, examining how to manage the stresses of climate change, wildfire events, bark beetle infestations, and other agents of ecological change.
- Established a Climate Change Task Team to look at the effects of climate change on B.C.'s forestry resources.
- Launched Forests for Tomorrow projects to reforest productive areas impacted by fire and mountain pine beetle, including:
 - taking aerial photos of mountain pine beetle affected areas to assist with silviculture planning;
 - re-planting 348 hectares of fire-damaged plantation; and
 - surveying 40 000 hectares of forest affected by the 2003 wildfires, prescribing 10 000 hectares of same for planting and growing 10 million seedlings.

Sustainable Forest and Range Benefits

- Supported successful research and development of new products and processes to improve the profitability and marketability of beetle-attacked wood.
- Awarding major forest licences to use beetle wood to support OSB and industrial pellet production.
- Worked to improve forest industry safety with the establishment of two safety officers in the ministry and BC Timber Sales.
- Continued implementation of policy changes associated with the Forestry Revitalization Plan, including timber reallocation.
- Signed 33 forestry agreements with First Nations to increase their participation in the forest sector. This brought the total of First Nations with agreements to more than 100.
- Changed Interior log grades to more accurately reflect the value of beetle-damaged wood and ensure the Province receives fair stumpage revenue.
- Improved access to communities and recreation sites through the replacement of 95 structures on Forest Service roads.

A Highly Effective, Innovative and Responsive Organization

- Continued work on the ministry's Road Ahead revitalization strategy.
- Exceeded the ministry's commitment to maintain its June 2004 deregulation baseline with a zero per cent increase, by decreasing regulatory requirements a further 10 per cent.
- Undertook a high level "mapping the ministry's business" project through the ministry's continuous improvement process to better document and communicate the ministry's business processes to the public and clients.
- Delivered a continuous improvement module at the University of Northern British Columbia and Thompson Rivers University to provide continuous improvement training to future ministry employees.

Purpose, Vision, Mission and Values



Purpose

Since its establishment in 1912 as the Forests Branch, the Ministry of Forests and Range (also known as the Forest Service or MoFR) has continued to protect the public's interest and provide leadership in the protection, management and use of the province's forest and rangelands. The Forest Service is the main agency responsible for the stewardship of 47 million hectares of productive provincial forest land and fire protection services for 84 million hectares. The ministry's role also includes maintaining a policy and regulatory framework that creates a competitive forest industry. Managing provincial forests and range resources presents a unique and complex set of challenges. More than 90 per cent of British Columbia's forestlands are publicly owned, which means that the provincial government, on behalf of the public, plays a much more prominent role in the forest sector than its counterparts in other forestry jurisdictions.

Vision, Mission and Values

Vision: Diverse and sustainable forest and range values for B.C.

Forest and range values include the social, economic and environmental values associated with our forest and range resources. Economic values include timber, forage and fisheries resources that contribute to our economy. Environmental values include soil, water, fish, biodiversity, and wildlife. Social values include recreation resources, visual quality, resource features, and cultural heritage resources.

Mission: To protect, manage and conserve forest and range values through a high performing organization.

The Ministry of Forests and Range is commissioned in the *Ministry of Forests and Range Act* to protect, manage and conserve the forest and range values identified above. The mission includes people working together demonstrating the values, or principles below, and creating a high performing organization.

People

People are valued for their contribution and dedication to the Forest Service, its mission and vision.

Values

Our Values:

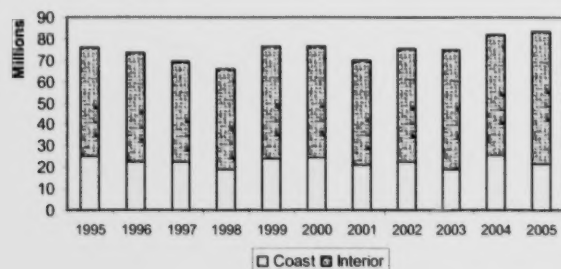
1. Integrity — We are open, honest and fair.
2. Accountable — We are responsible for our own decisions and actions.
3. Innovative — We encourage and support each other to create new and better ways to do our business.
4. Respectful — We show respect by listening to and recognizing a diversity of values and interests. We work with each other in a spirit of trust, mutual respect and support.

Strategic Context

Environmental Trends

Globally the total amount of forest area continues to decrease, but the rate of loss is slowing due to activities such as forest planting and natural expansion of forests on abandoned land. In Canada, there has been no significant change in the total forest area over the last 15 years. Less than one per cent of the forest is logged each year in British Columbia. In 2005 the B.C. timber harvest was 83 million cubic metres — about 1.8 per cent higher than the 2004 harvest and about 9 per cent higher than the five-year average (see Figure 1). Although fluctuations in the annual harvest level are not unusual, the recent increase is attributed to salvage of beetle-killed wood.

Figure 1: B.C. Coast and Interior Annual Timber Harvest 1995–2005



The mountain pine beetle infestation continues to devastate the mature pine forest in the Interior of B.C. As of summer 2005, more than 400 million cubic metres of the pine in the Interior of B.C. had been killed. In addition to threatening the economic well-being of First Nations and Interior forest-dependent communities, the beetle epidemic has serious implications for water tables, stream flow regulation, erosion, water quality, fisheries, forest fires and wildlife habitat.

In February 2005 the Kyoto Protocol for addressing global climate change came into force. As a part of this protocol Canada committed to reducing its greenhouse gas emissions by 270 megatonnes by 2012. In advance of the protocol coming into force B.C. established a plan to guide the province's approach to address climate change. The plan's target is to maintain the province's ranking of third-lowest per-capita greenhouse gas emissions. In connection with these plans the B.C. Ministry of Forests and Range established a Climate Change Task Team in June of 2005 to consider the ministry's role in mitigating the risks of future climate change on the province's forest and range resources.

Social Trends

World population continues to increase, however, the natural increase (births minus deaths) in population has slowed resulting in a rise in the average age of populations. In Canada the population growth rate has surpassed the global average due to high rates of immigration into the country. In British Columbia, as a result of the aging population, it is becoming increasingly difficult to attract and retain young skilled people in the forest industry — a problem which may become worse as older workers retire.

Enrollment in post-secondary forestry programs has been notably declining for several years and the majority of students who pursue advanced education in forestry now come from urban and suburban areas. As a result, few students are entering forestry programs with a practical understanding of forestry. In response the ministry has initiated work with other agencies and educational institutions on a recruitment strategy.

The population of British Columbia includes a large, culturally diverse and geographically dispersed First Nation population. Since 2001, the Province has been working with First Nations to provide economic growth and opportunities, especially in traditional areas like forestry. Government is committed to strengthening relationships with First Nations based on reconciliation, recognition and constructive consultation on social and economic issues.

Economic Trends

After a boom year, in 2004, B.C.'s forest sector faced many challenges in 2005, due to a number of factors including global competition for market share, the prolonged effect of the countervailing and anti-dumping duties on lumber to the U.S., declining commodity prices, the rising value of the Canadian dollar against the U.S. dollar, aging capital, and low returns on capital.

World competition in the global forest industry continued to grow in 2005. Many countries are playing an increasingly important role in the global forest industry as potential customers (e.g., China, India and Indonesia) and competitors (e.g., China, Russia, Europe and Brazil) of B.C. forest products.

Within Canada there were fewer sawmills producing more lumber as companies pushed to reduce costs by closing older, inefficient sawmills and expanding production at new, state of the art, lower-cost mills. In 2005 the 10 largest Canadian companies increased production per sawmill over 2004 levels by an average of 14 per cent.

The softwood lumber trade dispute between Canada and the U.S. continued throughout 2005 with a number of North American Free Trade Agreement and the World Trade Organization legal challenges. Efforts towards reaching a negotiated agreement were unsuccessful in 2005; however a tentative framework agreement was reached between the U.S. and Canada in April 2006.

In 2005 lumber prices continued to trend downwards (see Table 1). The decline in lumber prices, coupled with high log costs, resulted in some British Columbia coastal mills being forced to impose curtailments, or close permanently. In the Interior, despite the declining prices, lumber production rose in 2005 due to the availability of large volumes of beetle-killed wood.

Pulp and paper prices rose throughout 2005 and remained strong in the first quarter of 2006 (see Table 1). However the B.C. pulp and paper industry continued to struggle to remain profitable due to its aging capital, the relative size of the industry in comparison to international competitors, competition from non-wood pulp and technological alternatives to paper, as well as rising energy costs. Due to the interconnectedness between the pulp and paper and lumber industries, the strength of the pulp and paper industry is an important factor in the health of the entire B.C. forest industry.

Table 1: Commodity Prices

Product	Unit	Annual Average 2006*	Annual Average 2005	Annual Average 2004
Spruce Pine Fir 2 x 4	US\$/000 bd. ft.	341	355	392
Hemlock Baby Squares	US\$/000 bd. ft.	575	540	613
Northern Bleached Kraft pulp (NBSK)	US\$/tonne	620	611	615
Newsprint	US\$/tonne	656	608	550

* YTD Average as of April 2006.

Source: Madison's Lumber Reporter.

The Canadian dollar continued to rise against the U.S. dollar averaging at 86.6 U.S. cents during the first quarter of 2006. The rising Canadian dollar has had multiple impacts on the B.C. forest industry including increasing the relative cost of production in B.C., and reducing B.C. companies' profits as most forest products are sold in U.S. dollars. The strong Canadian dollar has also made it relatively cheaper for Canadian firms to buy assets in the U.S. In 2005, West Fraser, Interfor and Canfor all acquired sawmills in the U.S.

Internal Trends

The key factor in the success of the ministry's service delivery in 2005/06 is the ministry's dedicated staff committed to finding solutions to the many forest sector challenges. A further key strength of the ministry is its efforts to improve efficiency of service delivery through adoption of e-business. However, it remains a challenge to keep current with technology while addressing the demand on internal ministry systems. Most other internal factors that have affected the ministry over the past year have been directly related to the external factors described in the previous section. For example, the spread of the mountain pine beetle has focused resources towards issuing licences and reviewing timber supply in affected areas at the risk of attention to other areas. However, this infestation has promoted a review of policies and guidelines associated with future forests that could help avoid future outbreaks and benefit from the affects of climate change.

Linkage to the Five Great Goals

Government's Five Great Goals

1. Make British Columbia the best-educated, most literate jurisdiction on the continent.
2. Lead the way in North America in healthy living and physical fitness.
3. Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk, and seniors.
4. Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.
5. Create more jobs per capita than anywhere else in Canada.

Government's goal to "Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none," was directly supported by the ministry's new reforestation initiatives (Forests for Tomorrow), implementation of performance-based regulation, the

new *Wildfire Act* and the Mountain Pine Beetle Action Plan. This included a significant role in supporting the Ministry of Aboriginal Relations and Reconciliation in treaty negotiations, furthering the New Relationship and assisting First Nations to become active participants in the forest sector through negotiation of Forest and Range agreements. The ministry also worked with the Ministry of Environment, Ministry of Agriculture and Lands and the Integrated Land Management Bureau on cross-ministry initiatives in support of sustainable environmental management.

The ministry directly supported the Government's goal to "Create more jobs per capita than anywhere in Canada," by working to maintain a competitive forest industry, complete market pricing reform, improve market access through trade negotiations and new markets in Asia and support rural job creation for First Nations and communities. A significant component of creating jobs in 2005/06 was working to address the socio-economic impacts of the mountain pine beetle infestation on communities. This is done in partnership with other government agencies.

Service Delivery and Core Business Areas

Service Delivery

The Ministry has a broad and general mandate (see Appendix A2 for a summary of related legislation), to manage and conserve forest and range resources for short- and long-term social benefits, to protect and sustain forest productivity and to encourage a globally competitive forest industry, while asserting the financial interests of the Crown.

This mandate is achieved through a three-tiered decentralized organizational structure (Appendix A6) that brings the ministry close to our clients and stakeholders throughout the province. Working with the public, industry, other Crown agencies, and First Nations is the usual approach to our business delivery.

Delivery methods unique to specific services include:

- Many services under the Forest Investment Core Business Area are delivered through third-party delivery agents to increase accountability and efficiency (Table 2), with the ministry acting in a monitoring role.
- Fire protection services are commonly delivered through local and international agreements.
- The Mountain Pine Beetle Action Plan (Appendix A1) involves extensive cooperation between Government agencies, local governments and industry, provincially and federally.
- Research and development activities are coordinated through multi-stakeholder research and innovation groups such as the Forest Science Board, Forest Genetics Council, several Canadian Council of Forest Ministers' working groups and the Canadian Forest Innovation Council.

Staff are guided by ministry values (page 6), a proud tradition of service, and a results-oriented culture. We work to earn the public's trust in making day-to-day decisions which ensure that all British Columbians can look forward to sustainable forests and range and a strong forest economy now and in the future.

Core Business Areas: Overview

The ministry has eight core business areas, two of which are defined by unique funding sources, the BC Timber Sales Special Account and the Forest Investment Account.

Core Business Area: 1. Protection Against Fire and Pests

The ministry manages wildfire to protect natural resource inventories and investments in the forest land-base. Our forest fire response is primarily focused on protecting lives and government forest assets, particularly timber. Without fire protection, some 500 000 hectares of productive forest could be lost annually costing the province billions of dollars in potential direct revenue.

Forest Protection also includes the detection and management of insect pest outbreaks and the control of invasive plants on areas under the responsibility of the province. Insect pests of key significance are bark beetles and gypsy moth infestations. Other defoliators, endemic pests and outbreaks of local significance are also managed.

Core Business Area: 2. Forest Stewardship

The functions in this core business area are fundamental to ensuring sound environmental stewardship and a competitive regulatory framework to ensure forest resources are used in a sustainable way. British Columbia and companies operating here are recognized as world leaders in sustainable resource management. Government's regulatory framework provides a foundation for forest certification of company operations.

Stewardship includes the regulation of forest practices, inventory, timber supply planning and allowable annual cut determination, applied research, silviculture, and forest gene resource management.

Core Business Area: 3. Range Stewardship and Grazing

This area focuses on establishing a healthy ranching/livestock industry and ensuring sound environmental stewardship of the range resource through the regulation of range practices and forage supply management. Primary activities include allocating, administering and managing range use, evaluating rangeland health and effectiveness of range practices, restoring degraded rangeland ecosystems, and promoting and fostering rangeland use and management. The ministry champions integrated provincial responses or strategies to address serious threats, such as invasive plants, land alienations, recreational use, forest encroachment on grasslands, in-growth/infilling in dry forest ecosystems, mountain pine beetle impacts on natural range barriers and other range-related epidemics. All of these activities are aimed at maintaining or improving the health of the beef cattle industry in the province.

Core Business Area: 4. Compliance and Enforcement

This core business includes all activities related to upholding B.C.'s laws for protecting the province's forest and range resources under the ministry's jurisdiction including:

- enforcing environmental practices, results and strategies for forest and range management carried out both by the government and by forest and range tenure holders under the *Forest Practices Code* until December 31, 2006 and under the new *Forest and Range Practices Act* starting January 31, 2004;
- enforcing regulations to minimize fire, pests, and unauthorized activities that threaten the province's forest and range resources;
- under signed agreement with the Ministry of Tourism, Sport and the Arts, enforcing rules governing the use of forest recreation sites and trails;
- enforcing the revenue and pricing legislation that govern removal and transportation of timber, marking, scaling, marine log salvage; and

- combating “forest crimes” (theft, arson, mischief) which are a significant drain on provincial revenue and a significant risk to other environmental, social and economic values.

Core Business Area: 5. Forest Investment

The Forest Investment Account (FIA) is a forest-sector investment model, led by government, established to deliver investments on Crown land in an accountable, efficient manner. Investment dollars have been directed to activities on public land — enhanced forestry, watershed restoration and resource inventories — and marketing and research that supports sustainable forest management and increased allowable annual cuts.

Administration of most FIA activities is provided by third parties: PricewaterhouseCoopers, the Federation of B.C. Woodlot Associations and Forestry Innovation Investment Ltd.

Third-party administrators provide the following services:

- accept investment schedule proposals and confirm they constitute an optimum mix of expenditures to promote sustainable forest management;
- ensure that each proposed activity is eligible for FIA funding;
- provide funds to successful proponents and track project delivery; and
- are responsible for performance and financial auditing. Table 2 lists these programs with their administrators.

FIA programs that support the ministry's sustainable forest resources goal at the provincial level include the Forest Science and Crown Land Use Planning programs. At a more local level funding is allocated to tree farm licence holders and certain tenure holders in each timber supply area under the Land Base Investment Program, and to woodlot licence holders and community forest agreement holders under the Small Tenures program. Activities under the latter two programs include resource inventories, stand establishment and treatment, and restoration and rehabilitation.

Table 2: Administration, Planning and Reporting Responsibilities for FIA Programs

FIA Program	Administrator	Plans and Reports
Land Based Investment Program	PricewaterhouseCoopers LLP (PwC)	Activity reporting, audit plan and annual report
Tree Improvement Program	Ministry of Forests and Range	MoFR service plan and annual service plan report
Crown Land Use Planning Enhancement Program	Integrated Land Management Bureau	Ministry of Agriculture and Lands service plan and annual service plan report
Small Tenures Program	Federation of B.C. Woodlot Associations (FBCWA)	Activity reporting, audit plan and annual report
Forest Science Program	PricewaterhouseCoopers LLP (PwC)	Forest Science Board strategy and business plan, activity reporting, audit plan and annual report
Market Development Program	Forestry Innovation Investment Ltd (FII)	FII service plan and annual service plan report

Under the goal of sustainable forest and range benefits, the FIA promotes investment in product development and international marketing activities. Forestry Innovation Investment Ltd. (FII), a Crown corporation, administers both of these programs at the provincial level.

Core Business Area: 6. Pricing and Selling Timber

The Forest Service has a core responsibility to provide British Columbians with benefits from the commercial use of public forests. This is supported by a strong forest economy and a competitive forest sector, which in turn depends on a fair pricing system, effective allocation and administration of timber harvesting rights, and a safe and cost-effective road

Tenures managed by the Ministry of Forests:

- 34 Tree Farm Licences
- 812 Woodlot Licences
- 11 Community Forest Agreements
- 168 replaceable and 147 non-replaceable Forest Licences
- 100 replaceable and 1,357 active non-replaceable Timber Sale Licences
- 621 Timber Licences
- 10 Pulpwood Agreements

infrastructure to access timber, forest based communities and recreation areas.

Core business activities to achieve this goal include timber tenure administration, timber pricing (tied to BC Timber Sales activities), scaling, market access activities, maintaining a forest road infrastructure and First Nations consultation and accommodation.

Core Business Area: 7. BC Timber Sales

The BC Timber Sales organization supports BC's timber pricing system by developing and offering for sale through auction, a significant portion of the provincial

allowable annual cut. In doing so the division generates pricing and cost data to drive market-based pricing, earns substantial net revenue for the Crown, and provides competitive access to timber for industry. BC Timber Sales is obligated to meet all requirements of the *Forest and Range Practices Act* and the *Forest Practices Code*, including achievement of reforestation obligations.

Core Business Area: 8. Executive and Support Services

This core business focuses on corporate governance and service delivery activities in support of all ministry functions. Governance activities include: policy and legislation development, performance management, financial management, strategic human resources and information management. Executive, regional and district management, and staff in the Corporate Services Division play a key role in delivery of these functions.

Support service activities also include central infrastructure management, Freedom-of-Information, records management, continuous improvement and the application of information technology. These services are delivered at all levels of the organization — branch, region and district. While focused at supporting internal management and employees, they also serve industry and the general public.

Report on Performance

In keeping with B.C.'s eight reporting principles to focus on a few, critical aspects of performance, and to better link goals and objectives to results, MoFR reduced its number of performance measures and indicators from 40 in the 2005/06 Service Plan Update to 11 measures in the 2006/07 service plan. In addition nine measures that are part of the Province's commitment to report on the Mountain Pine Beetle Action Plan have been moved to an appendix in the 2006/07 Plan and in this 2005/06 Annual Service Plan Report.

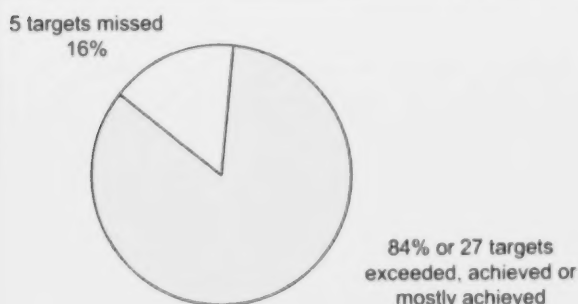
Many of the measures that are no longer included in this plan continue to be tracked as part of the Ministry's Internal Service Plan (or Business Plan), to enable the ministry to manage performance effectively.

Performance at a Glance

Performance Measure Target Achievement

Fourteen Key Outcome Indicators (KOIs) are used by the ministry to report on the highest level outcomes or key results represented by the ministry goals in 2005/06. Although these indicators are outside the full influence and control of the ministry, they are tracked to show progress towards the ministry's goals. Because of the lack of ministry control on these outcomes, rather than establish a target with accountability, the indicators have been assessed against a projection and evaluated as to their current status and trend.

The 33 Corporate Performance Measures (CPMs) were established with targets to evaluate ministry performance in its core business areas for 2005/06.



As shown in the pie-chart above, 32 of the 33 corporate performance measures are reported on, yielding a total of 84 per cent target achievement, made up of five targets that were mostly achieved (> 80 per cent to 95 per cent), 12 targets that were achieved (95 per cent to 105 per cent), and 10 targets that were exceeded (> 105 per cent). Five measures (16 per cent) had targets that were missed.

The following KOIs and CPM were not reported in 2005/06:

- The two KOIs on public trust (per cent of British Columbians who agree that the Forest Service can be trusted to protect and manage our public forests, and the per cent of British Columbians who feel the Forest Service effectively protects and manages our public forests), will be evaluated again in 2006/07.
- The CPM on achievement of free-growing obligations under the Forest Stand Management Fund required no activity during the year.

In the 2006/07 Service Plan, the ministry rationalized its performance framework to focus public reporting on fewer, critical measures. The eleven measures chosen for 2006/07 include some KOIs and some CPMs (shown with shading in the accompanying chart), chosen to best represent the key goals, objectives and business areas of the ministry.

A synopsis of the links between goals, objectives, strategies and performance results is provided in the accompanying chart. Explanations of each measure and its performance target achievements are provided in the following sections.

Performance Plan Summary Table

The following tables provide a synopsis of the results for the Ministry key outcome indicators (Section 1), and performance measures (Section 2) from the 2005/06 Service Update (September 2005). The measures covered by the Mountain Pine Beetle Action Plan have been separated out in Section 3. The measures shaded represent those in the 2006/07 service plan.

Section 1 — Key Outcome Indicators

Five Great Goals	Ministry Mission To protect, manage and conserve forest and range values through a high performing organization.			
	Ministry Goals	Key Outcomes	Key Outcome Indicator	Results
Lead the world in sustainable environmental management with the best air and water quality, and the best fisheries management, bar none.	1. Sustainable Forest and Range Resources.	← A Sustainable Forest Land Base	← Area of provincial forestland in millions of hectares	← ✓
		← Sustainable Timber Productivity	← Total area of Crown forest lost to wildfire annually	← ✓
		← Healthy Forests — Soil quality, water quality, and ecosystem diversity	← Ratio of area reforested to area harvested or lost to fire and pest	← △
		← Effective Forest Protection and management by forest operators	← Per cent of annual harvest area with soil loss due to the establishment of permanent access roads	← ✓
			← Per cent of forest and range operator's compliance with statutory requirements that regulate forest practices	← ✓
Create more jobs per capita than anywhere else in Canada.	2. Sustainable Forest and Range Benefits.	← Strong Forest Economy	← B.C.'s share of the U.S. softwood lumber market	← ✓
			← B.C.'s share of Japan softwood lumber imports	← △
		← Globally competitive forest sector	← Increase in wood product sales to Taiwan, China and Korea	← ✕
			← Percentage increase in forestland certified by major forest certification process	← ✓✓
		← Resource Benefits from public forest and range resources	← Crown forest gross revenue	← ✓
			← Crown gross revenue from B.C. Timber Sales	← △

Five Great Goals	Ministry Mission To protect, manage and conserve forest and range values through a high performing organization.			
	Ministry Goals	Key Outcomes	Key Outcome Indicator	Results
Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none and Create more jobs per capita than anywhere else in Canada.	3. Highly Effective, Innovative and Responsive Organization.	← An Effective Organization	← Per cent of British Columbians who feel the Forest Service effectively protects and manages our public forests	← Not measured in 2005/06
		← Effective Delivery of Forest Investment activities and outcomes through third party administrators	← Per cent of British Columbians who agree that the Forest Service can be trusted to protect and manage our public forests ← Per cent of FIA third-party administrator performance targets achieved	

✓✓ Exceeded target. ✓ Achieved target. △ Target mostly achieved. × Missed target. N/A — Not Applicable.

Section 2 — MoFR Performance Measures

Five Great Goals	Ministry Mission To protect, manage and conserve forest and range values through a high performing organization.			
	Ministry Goals	Ministry Objectives	Performance Measures	Results
Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.	1. Sustainable Forest and Range Resources.	Prevent and manage wildfire and forest pests.	Per cent of wildfire contained at <4ha.	✓
			Per cent of Crown forest aerial surveyed to monitor forest health.	△
			Per cent of bark beetle management units (BMU) — including parks and protected areas — treated by MoFR that meet treatment targets.	△
			Per cent of high priority areas treated to manage defoliator outbreaks.	✓
		Ensure that the principles of sustainability guide the management of and improvements to the provincial forest and range resources.	Per cent of TSAs and TFLs for which AAC has been determined in the last five years.	△
			Volume gain of timber available for harvest in 65 years from all ministry tree improvement activities (million cubic metres).	✓
		Deliver ministry programs required to manage provincial forest and range resources for sustainable benefits.	Per cent achievement of ministry free-growing obligations.	N/A
		Monitor, evaluate, and continuously improve forest management.	Status of the State of the Forest Report.	△
			Per cent of FRPA values with measurable indicators for effectiveness evaluations.	✓✓
		Protect, manage and improve range resources for multiple values.	Area restored to open forest and grassland (hectares).	×
			Per cent of available Crown range under a form of agreement.	✓
		Promote compliance and ensure statutory obligations are enforced.	Per cent of high and very high priority sites inspected for forest and range practices compliance.	✓
			Per cent of high and very high priority sites inspected for pricing compliance.	✓
		Actively foster sustainable management and improve the public forest and forage asset base.	Assessment of outcome and outputs for this objective is captured by the reports generated by the third party administrators — see page 44.	

✓✓ Exceeded target. ✓ Achieved target. △ Target mostly achieved. × Missed target. N/A — Not Applicable.

Ministry Mission To protect, manage and conserve forest and range values through a high performing organization.				
Five Great Goals	Ministry Goals	Ministry Objectives	Performance Measures	Results
Create more jobs per capita than anywhere else in Canada.	2. Sustainable Forest and Range Benefits.	← Maintain access to markets for B.C. forest products.	Measured by KOI.	
		← Ensure that the public receives fair value for the use of its forest and range resources now and in the future.	← Status of the implementation of the market-based pricing system.	← x
		← Provide opportunities to generate wealth from forest resources.	← Per cent of Timber Supply Area AAC under a form of tenure.	← ✓
		← Provide a reliable and environmentally sound forest road network.	← Per cent of key engineering activities substantially achieved.	← ✓✓
			← Per cent of kilometres of Forest Service roads, where the District Manager is directly responsible for maintenance, that are open for public access.	← ✓✓
			← Per cent reduction or increase to the Forest Service road network.	← ✓
		← Increase First Nation opportunities in the forest sector while respecting First Nation interests.	← Total number of Forest and Range agreements offered to and signed with First Nations.	← ✓
		← Provide a credible reference point for timber costs and pricing.	← Per cent of total timber volume available, auctioned by BCTS.	← ✓✓
		← Optimize BCTS net revenue to the province within the parameters dictated by its benchmarking mandate and sound forest management.	← Crown net revenue from BCTS.	← △
			← Average cost per cubic metre of volume developed by BCTS.	← ✓✓
		← Provide opportunities for B.C. Timber Sales customers to purchase timber in an open and competitive timber market.	← Volume offered for sale by BCTS.	← ✓✓
✓✓ Exceeded target. ✓ Achieved target. △ Target mostly achieved. x Missed target. N/A — Not Applicable.				

Five Great Goals	Ministry Mission To protect, manage and conserve forest and range values through a high performing organization			
	Ministry Goals	Ministry Objectives	Performance Measures	Results
Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries and the best fisheries management.	3. Highly Effective, Innovative and Responsive Organization.	Sound governance and effective and efficient delivery of forest investments.	Per cent of FIA performance measure targets substantially achieved.	✓
		Ensure a responsive and effective management framework and infrastructure.	Measured by KOI.	
		To be a high performing and learning organization.	Measured by KOI.	

✓✓ Exceeded target. ✓ Achieved target. △ Target mostly achieved. × Missed target. N/A — Not Applicable.

Section 3 — Mountain Pine Beetle Action Plan Measures

All of these measures are described and reported in Appendix A1.

Five Great Goals	Ministry Mission To protect, manage and conserve forest and range values through a high performing organization.			
	Ministry Goals	Ministry Objectives	Performance Measures	Results
Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management.	1. Sustainable Forest and Range Resources.	Prevent and manage wildfire and forest pests.	Hectares treated for fuel management in interface areas impacted by MPB.	x
			Hectares treated to control spread of MPB.	✓✓
			Per cent of at risk sites treated in parks and protected areas to mitigate impacts of MPB.	✓✓
		Restore the forest resource in areas affected by MPB epidemic.	Number of watersheds treated for ecosystem restoration required as a result of MPB.	✓
			Number of peer reviewed research and development project reports or extension events on priority MPB issues.	✓✓
			Number of map sheets imaged of area susceptible to MPB infestation.	✓✓
	2. Sustainable Forest and Range Benefits.	Encourage long-term economic sustainability by mitigating the impacts of MPB on livestock production and range use.	Animal Unit Months of forage protected from loss due to MPB impacts.	x
			Number of new products/applications for MPB timber identified and introduced to markets.	✓✓
			Number of regional community association economic diversification plans established by MPB mitigation.	x
Create more jobs per capita than anywhere else in Canada.		Recover the greatest value from dead stands impacted by MPB.		

✓✓ Exceeded target. ✓ Achieved target. △ Target mostly achieved. x Missed target. N/A — Not Applicable.

Goals, Objectives, Strategies and Performance Measures

Ministry Goal 1: Sustainable Forest and Range Resources.

As stewards of British Columbia's forest and range resources, the Ministry of Forests and Range has the responsibility to ensure the use of these resources to generate economic benefits is balanced with their long-term viability. The ministry ensures that appropriate forest and range management practices and incremental investments are used to maintain and improve the long-term sustainability and health of the province's forest and range resources.

The ministry tracks overall sustainability of resources on an annual basis using key outcome indicators. Status and trends based on data available for assessment in 2005/06 is as follows:



Key Outcome	Indicator	2005/06 Status / Trend
A sustainable forest land base	Area of provincial forestland in millions of hectares	good / stable
Sustainable timber productivity	Ratio of area reforested to area harvested or lost to fire and pest	poor / declining to flatline in three years
	The total area lost to wildfire annually in hectares (5-year rolling average)	good / stable
Healthy forests	Per cent of annual harvest area with soil loss due to establishment of permanent access roads	good / stable
Effective forest and range protection and management, as represented by compliance with the regulatory framework	Per cent of forest and range operators' compliance with statutory requirements that regulate forest practices	good / stable

Status is good, fair or poor; Trends are increasing, stable or declining.

Other indicators of healthy forests, looking at the key elements of water quality and biodiversity, are complex and assessment of these is addressed more fully in the Ministry's State of British Columbia's Forests Report published periodically at:

<http://www.for.gov.bc.ca/hfp/sof/>.

Data from the state of the forests report and Forest Practices Board audits also support the conclusion that these aspects of sustainability are being addressed satisfactorily in B.C. The indicators of sustainable timber productivity, area lost to wildfire and the reforestation ratio, have been a concern over the past few years. However, as expected, the area lost to wildfire returned to within the normal variation in 2005/06. The reforestation ratio continues to show the expected decline, reflecting the time lag associated with initiating the new Forests for Tomorrow program to address loss to fire and mountain pine beetle.

Key Outcome Indicators

Sustainable Forest Land Base — A sustainable forest land base represents the footprint of the provincial forests for land-use decision making.

Key Outcome Indicator	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Projection	2005/06 Actual	Variance
Area of provincial forestland in millions of hectares	47.8	47.8	47.7	47.7	47.7	0
Selection Rationale This key outcome pertains to the area in provincial forest land which reflects provincial land use decisions. Changes to the indicator would be expected if the government removed Crown land from forest management for other uses (e.g., preservation, parks or agriculture or Crown land sales) or converted land from other uses to forest management.						
Results and Variance Explanation There were no removals of Crown land from forest management for other uses or additions of land converted from other uses to forest management, in 2005/06. The small reduction in the productive forest area between 2002/03 and 2003/04 reflected updated inventory information and minor changes to land use and administration rather than a change to the land base.						
Data Sources and Issues For the purposes of this measure, provincial forest land is the Crown land in timber supply areas, woodlot licences, and tree farm licences. Data are from the ministry's Allowable Annual Cut (AAC) database, as of January 1st each year. Accuracy of this measure is within 1 per cent or to the nearest 500 000 hectares.						
Changes to the Measure This measure is tracked internally to the ministry starting in 2006/07.						

Sustainable Timber Productivity — The ministry measures reforestation and losses from fire to represent the outcome of sustainable timber productivity.

Key Outcome Indicator	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Projection	2005/06 Actual	Variance
Ratio of area reforested to area harvested or lost to fire and pest	0.93	0.82	0.78	0.80	0.74	-0.06

Selection Rationale

The ministry measures reforestation to represent the outcome of sustainable timber productivity. Reforestation, represented by the ratio of area reforested to area harvested or lost to fire and pest, includes planting or natural regeneration and is net of plantation failures. Harvesting is by any method. Area lost to fire and pest is unsalvageable and offers a viable reforestation opportunity. An area is not tallied as "lost to fire and pest" until it has been surveyed and deemed to present a viable reforestation opportunity.

A ratio of 1.0 indicates that areas being reforested are in balance with those being harvested or lost to fire and pests. A ratio of less than 1.0 reflects a trend towards increased Not Sufficiently Restocked (NSR) with more area being harvested or lost to fire and pest than reforested.

Results and Variance Explanation

The expected downward trend in the reforestation indicator attributed to the increase in areas lost to wildfire and to the mountain pine beetle epidemic is evident in the actual results for 2005/06. The ministry initiated the Forests for Tomorrow Program in 2005/06 to address this trend, with first year activities focusing on strategy development, surveys and site preparation work for those areas not reforested under legislated requirements associated with salvage harvesting. Substantial amounts of planting do not begin until 2007/08, when the downward trend in the indicator is expected to be stopped.

B.C.'s results may be generally comparable to Ontario, who track the percentage of human or natural forest disturbance area regenerated successfully. However, there are some differences in reporting methodology and reforestation standards between the two provinces. Ontario uses a sampling methodology to collect data, while BC's data represent a complete census of all cutblocks in the timber harvesting landbase. Ontario also has different reforestation stocking standards than BC. In addition, Ontario's last published information is for 2001/02, which shows an actual performance of 88 per cent. In 2001/02, the MoFR ratio was 1.2 or 120 per cent, reflecting significant efforts by B.C. to reforest areas that had been deforested prior to 1988.

A more recent comparison is not possible. Their annual reports can be accessed on-line at:

<http://ontariosforests.mnr.gov.on.ca/publications.cfm#reports>.

Data Sources and Issues

Based on a five-year rolling average. The ratio uses data from the past five years, submitted by licensees and the ministry, to RESULTS (Reporting Silviculture Updates and Landstatus Tracking System).

Data reported are one year older than the year indicated. This reflects that the data are submitted by industry according to legislated requirements, at June 1st each year for the previous year ending March 31st and this is not aligned with reporting requirements for the ministry's Annual Service Plan Report.

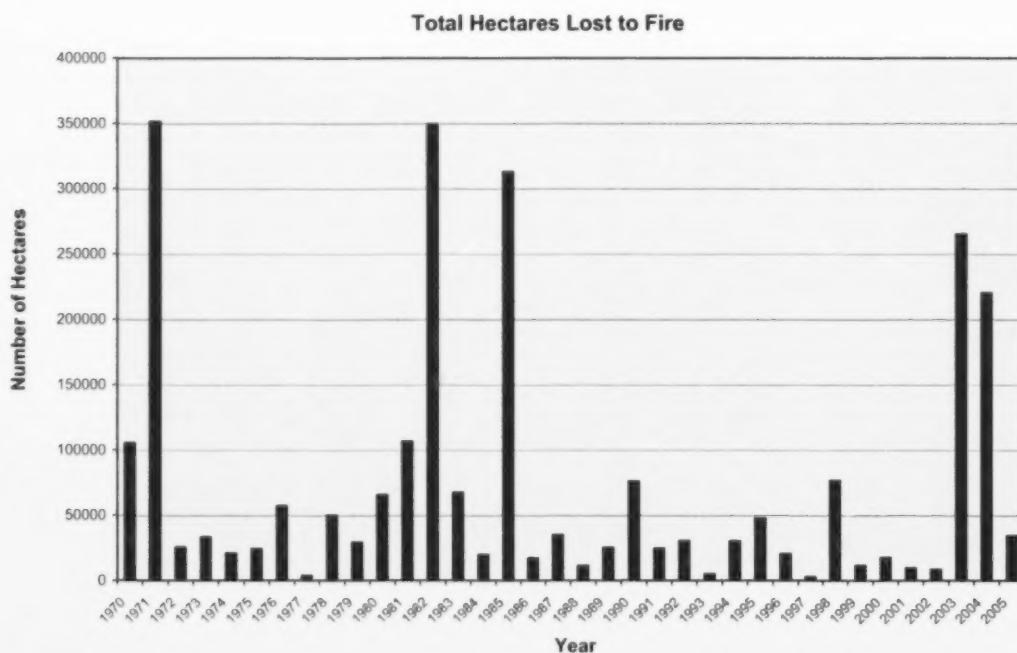
An adjustment to the actual ratio reported for 2004/05 in the 2006/07 service plan and the 2004/05 Annual Service Plan Report has been made from 0.80 to 0.78. This reflects late updates to the database.

Transition to the new RESULTS information system has required substantial review and reformatting of data, contributing to not having accurate and complete data available in a timely manner. The ministry is making considerable efforts to complete the extra work required, and the data are expected to be up-to-date by the end of 2006/07.

Changes to the Measure

None.

Key Outcome Indicator	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Projection	2005/06 Actual	Variance
The total area lost to wildfire annually in hectares (5-year rolling average)	20 471	50 615	63 540	<85 000	79 596	-5404
Selection Rationale						
The total area lost to wildfire annually. This is highly dependent on weather and where fires occur relative to resources and communities						
Results and Variance Explanation						
Area lost to wildfire was slightly less than anticipated in 2005/06. Projections of losses were increased from <65 000 ha in 2004/05 to <85 000 ha in 2005/06 to reflect the extreme drought of 2004 after the exceptionally severe 2003 fire season. these conditions will impact the five-year rolling average of area lost for the next five years.						
Data Sources and Issues						
These measures use data from the past five years, from the Forest Service Historical Fire Statistics database.						
Changes to the Measure						
No changes.						



Healthy Forests — Healthy forest ecosystems sustain the quality and quantity of soil, water and timber, and therefore, indicate sustainable forest resources. Measures of timber are addressed above. Soil and water protection are addressed largely through the *Forest and Range Practices Act (FRPA)*, which is measured by the compliance indicator below. This measure of soil loss demonstrates compliance with the FRPA standard, which requires soil losses to be less than 5 per cent. There is no obvious high level indicator of ecosystem water quality, which occurs largely on a site-specific basis.

Key Outcome Indicator	Benchmark	2005/06 Projection	2005/06 Actual	Variance
Per cent of annual harvest area with soil loss due to establishment of permanent access roads	<5	<5	<5	0
Selection Rationale				
The indicator per cent of annual harvest area with soil loss due to establishment of permanent access roads is linked to national forest criteria and indicators of global forest sustainability. Although the indicator represents a key element of healthy ecosystems (soil sustainability), it is only meaningful at the ecosystem level, needs to be considered over time, and cannot be taken by itself as a sufficient indicator of sustainability. The ministry will present more comprehensive information in a "State of the Forests" report published periodically. Permanent access roads include any not-rehabilitated roads, excavated or bladed trails, landings, pits or quarries. Harvest area is by any method and includes areas with retained mature timber and naturally occurring non-productive areas within the cut block boundary.				
Results and Variance Explanation				
Actual achievement was as projected for 2005/06.				
Data Sources and Issues				
Data for this measure is compiled by the Forest Practices Branch from RESULTS (Reporting Silviculture Updates and Landstatus Tracking System). Data are submitted, according to legislated requirements, before June 1st each year for the previous year ending March 31st. The ministry's Annual Service Plan Report is finalized in May of each year. The timing of the legislated reporting requirements for industry and the ministry's Annual Service Plan Report are currently not aligned. Therefore the data produced in the Service Plan are currently always one year behind.				
Changes to the Measure				
This measure is tracked internally to the ministry starting in 2006/07.				

Effective Forest and Range Protection and Management — the measure below reflects management decisions and actions of forest and range operators which is key to the outcome of sustainable forest resources

Key Outcome Indicator	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Projection	2005/06 Actual	Variance
Per cent of forest and range operators' compliance with statutory requirements that regulate forest practices	93	92.1	91.4	>94	93.6	-0.4
Selection Rationale						
This measure was selected as an indicator of the management decisions of forest and range operators which are key to the outcome of sustainable forest resources. Forest and range operators are all industry (major and small business) licensees. Compliance is with the <i>Forest Practices Code</i> and the <i>Forest and Range Practices Act</i> . This is a measure of the number of inspections completed with no alleged non-compliance that led to a determined or prosecuted enforcement action versus the number of inspections completed.						
Results and Variance Explanation						
Variance for this measure is within the accepted accuracy for reporting. The rate of compliance has consistently been in excess of 90 per cent for the past eight years.						

Data Sources and Issues

Information is from the ministry's Compliance Information Management System (CIMS).

Changes to the Measure

No changes.

Objective 1: Prevent and manage wildfire and forest pests.

This objective reflects the ministry's intent to protect forest and range resources and investments by minimizing losses and mitigating future risks from wildfire and forest health infestations.

Since 2003, achievement of this objective has been supported by implementation of recommendations from the internal and external inquiries of the 2003 and 2004 fire seasons. Many initiatives were implemented in 2004 including the addition of two air tankers, 100 additional firefighters and development of a provincial fuel management strategy. The strategy has provided funding for over 60 Community Wildfire Protection Plans and for over 45 fuel management projects. As well, British Columbia is playing a key role in developing the Canadian Wildland Fire Strategy to help protect communities and accelerate improvements to the provincial and national wildfire infrastructure.



Achieving this objective for wildfire also depends on the severity of conditions including: weather, ground fuel accumulations, and availability of trained crews, equipment, air tankers and resources from other sources. Continued implementation of the recommendations will ensure the greatest level of preparedness for future fire seasons.

The ability of the ministry to manage forest pest infestations is largely influenced by our predictive ability with insect population cycles, and ongoing monitoring and detection. The ministry coordinates research and modeling of insect populations with other agencies, and ensures that an aerial overview survey of provincial forests along with pest specific ground surveys are done each year to detect new or growing infestations. Managing forest pests is done in partnership with the federal government and forest industry, and in the case of an epidemic with economic impacts like the mountain pine beetle, in coordination with communities, First Nations and other government agencies.

Strategies

1. Ensuring fire preparedness and rapid effective initial attack by continuing to implement the new *Wildfire Act* including streamlined regulations.
The *Wildfire Act* was brought into force on March 31, 2005 and the ministry worked with stakeholders to ensure compliance.
2. Continuing to renegotiate agreements with utilities and develop new agreements with other sectors to increase cost-recovery for fire protection activities.
Over the past year the ministry has significantly expanded the number of clients involved in these agreements and is working to ensure continued success of the cost-sharing program.
3. Responding to the results of the internal and external inquiries into the 2003 and 2004 fire seasons.
The ministry has continued to implement recommendations from 2003 and 2004 internal and external reviews and consolidation of this implementation has been reflected in the ministry's Protection Program Strategy approved in January 2006.
4. Early detection and treatment of insect infestations.
During 2005/06, the ministry continued to conduct early detection (air and ground surveys) to identify insect infestations (primarily for bark beetles and the western spruce budworm) and determine if treatments were warranted and feasible. Treatments were carried out on all viable Beetle Management Units, however, due to the rapid spread of the infestation targets were not met (see measure below).
5. Monitoring and evaluating forest health status and implementing best management practices in support of the timber supply review and protection of the 11 resource values under the *Forest and Range Practices Act* (FRPA).
Over the past year, ministry forest health specialists have been piloting an effectiveness evaluation monitoring protocol to determine if forest health factors are significantly impacting young forest stands and thereby not meeting the growth projection assumptions in the Chief Forester's Timber Supply Reviews. Best management practices have been reviewed and updated by ministry forest health specialists and a training and extension plan is also being developed and funded in 2006/07 to improve access to these best management practices.

Performance Measures

Performance Measure	Benchmark	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of wildfire contained at less than four hectares	93	92	92.2	+0.2	✓
Selection Rationale This is a measure of the ministry's success rate of initial attack on wildfire that is unplanned, accidental or unwanted (i.e., has potential to cause damage to or loss of timber, range or public resources). If containment is kept to under four hectares by 12 pm the day after the fire starts, damage and costs for fire suppression are kept to a minimum.					
Results and Variance Explanation No significant variance from target. Alberta and Ontario both track success of initial wildfire attack using this same measure. Alberta's most recent published target is 90 per cent (2002 to 2005), but actual performance data could not be obtained. The last published data for Ontario show an initial attack success rate of 96.4 per cent in 2001. While the information can not be compared directly year to year, it appears that all three jurisdictions target and achieve initial wildfire attack success rates between 90 and 96%. Differences in land ownership, policy and climate conditions would account for the 6 per cent variation.					
Data Sources and Issues Data are from the Forest Service Historical Fires Statistics Database.					
Changes to the Measure None.					

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of Crown forest aerial surveyed to monitor forest health	100	100	100	100	87.5	-12.5	△
Selection Rationale Annual province-wide aerial surveys are used to monitor forest disturbances caused by insects, diseases, animal and abiotic factors. The findings of these surveys are posted on the ministry website for access by the public, consultants, licensees and ministry staff. The data are used to track damage trends, estimate impacts on forest resources, plan management activities strategically, and direct more detailed surveys.							
Results and Variance Explanation The target was not achieved in parts of the Northern Interior and Coastal Forest Regions due to inclement weather. The target was fully achieved in the portions of the Northern Interior and Southern Interior, where information on mountain pine beetle was critical to implementation of Mountain Pine Beetle Action Plan spread control treatments in 2005/06.							
Data Sources and Issues Data are collected from the forest regions through aerial overview survey contracts.							

Changes to the Measure

This measure is tracked internally to the Ministry starting in 2006/07.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of bark beetle management units (BMU) — including parks and protected areas — treated by MoFR that meet treatment targets	89	88	75	80	69	-11	△

Selection Rationale

The exponential expansion of beetle infestation continues. The ministry is investigating a potential new outcome-oriented performance measure to report on the extent of the mountain pine beetle infestation, how it is being addressed through treatments and salvage logging, and the ultimate impact on sustainability of the forest resource.

This new measure would track the successful reforestation of areas impacted by the beetle (and subsequently salvage logged, treated or left to reforest naturally). At this time there are decisions pending as to the scale and spatial location of some large scale salvage operations. The outcome of these decisions, and their interaction with the impact of Forests for Tomorrow program implementation, will influence the timing to accurately implement this measure. In the short term, the ministry is continuing with this measure of the extent of the highest priority areas treated.

High-priority sites are those which present an opportunity to stop or reduce the rate of spread. Activities include conducting detailed aerial and ground detection leading to treatments through targeted harvesting, felling and burning, setting up pheromone trap trees, or other methods. By agreement with MOE, MoFR is responsible for treatments in parks and protected areas. Targets are established through the development of annual beetle strategies and the availability of funding.

Results and Variance Explanation

Expansion rates of the MPB were higher than expected in the units that failed to meet suppression targets thereby exceeding the units' resources to adequately address the new infestations. By Fall 2005, the beetle had infested 8.7 million hectares.

Data Sources and Issues

Detailed aerial and ground detection is used to map the spread of the beetle and to locate sites that present an opportunity to stop or reduce the rate of spread of the beetle. Data come from aerial and ground surveys and treatment records.

Changes to the Measure

In 2004/05 only the area treated by MoFR directly (primarily parks and protected areas) was measured. A policy change in September 2004, led to the ministry being responsible for forest health on all Crown forest areas, and therefore the measure was changed in 2005/06 to report on all Crown forest areas treated under the Mountain Pine Beetle Action Plan.

In 2006/07, this measure has been reworded to the "Per cent of Mountain Pine Beetle Aggressive Emergency Management Units that achieve treatment targets." This change reflects a change in naming convention where Beetle Management Units that fell within the Emergency Bark Beetle Management Area have been divided into Aggressive Emergency Management Units (AEMUs) and Containment or Holding BMUs, in addition to a Salvage Zone. These refinements have been necessary to hone the Government's strategy to focus funding on the highest priority areas where there is an opportunity to stop or reduce the rate of spread of the beetle.

AEMUs (previously called Suppression Beetle Management Units (SBMUs)) are areas where new infestations are managed through targeted small-block harvesting, felling and burning, use of pheromone baits, or other methods.

Areas where beetle infestations are still active, but there are no opportunities to suppress the populations, are called Containment EMUs (or Holding BMUs). These areas are being harvested via larger blocks to slow beetle spread.

Finally, where the beetle has killed extensive volumes of timber and where there is no reduction in rate of spread possible through harvesting; these areas are included in the Salvage Zone. Harvesting efforts in this zone have no impact on the beetle population and the objective of harvesting here is to recover as much timber value as possible.

The first two unit designations are enabled under section 109 of the Forest Planning and Practices Regulation. In this regulation the Bark Beetle Coordinator may designate Emergency Management Units within the Emergency Bark Beetle Management Area to expedite harvesting for the purposes as indicated above.

The Aggressive EMUs continue to be the focus of concerted effort under the Mountain Pine Beetle Action Plan, and this performance measure has been selected to report progress on treatments in these units. This is described more fully in the 2006/07 MoFR Service Plan.

Performance Measure	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of high priority areas treated to manage defoliator outbreaks	Gypsy Moth 100	Gypsy Moth 100	Gypsy Moth 100	Gypsy Moth 100	Gypsy Moth 0	✓
	All others 99	All others 54	All others 100	All others 77	All others 23	

Selection Rationale

Other defoliators include western spruce budworm, western hemlock looper among others. The achievement of this measure is largely determined by funding levels and population trends.

Results and Variance Explanation

All gypsy moth high priority sites were treated in 2005/06, achieving the target.

The achievement of 77 per cent for "all other" defoliators represents 27 000 hectares that were treated. The target was 35 000 hectares at the start of 2005/06, but due to cold weather that eliminated defoliators on 8000 hectares in the Southern Interior, only 27 000 hectares required treatment during the year.

Data Sources and Issues

Aerial and ground surveys and treatment records.

Changes to the Measure

This measure is tracked internally to the ministry starting in 2006/07.

Objective 2: Ensure that the principles of sustainability guide the management of, and improvements to, the provincial forest and range resources.

This objective has been split into two new objectives for the 2006/07 service plan to better describe the intent of the business associated with a principled approach to ensuring sustainable forest and range resources:

(1) An effective forest practices and policy framework

This objective was one of the strategies in the 2005/06 Service Plan Update, and was promoted to an objective reflecting that the forest practices and policy framework is a key tool to achieving government's goals through setting standards, developing and reviewing policies and legislation, and managing non-statutory information such as training material or guidance for resource professionals. The ministry manages the risk to achieving this objective by working with professional associations, a minister's advisory council and through regular discussion with communities, the public and effective consultation with First Nations.

Strategies

1. Continuing to jointly evaluate, improve, and manage the forest practices and planning framework based on best available resource information and science; and
2. Implementing processes that ensure consistent and science-based evaluations of forestry plans submitted for approval.

Results

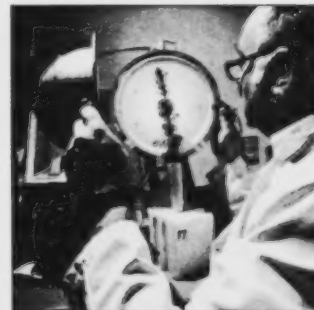
Progress towards meeting this objective and achieving the above strategies in 2005/06 is reflected in the following key accomplishments:

- The Minister's FRPA advisory council met five times and reported to the Minister on how to improve the forest practices framework on matters related to environmental protection, continuous improvement of the FRPA Resource Evaluation Program, forest worker safety, First Nations consultations, and various implementation issues.

- Ongoing work with the Ministry of Environment, the Integrated Land Management Bureau and licence holders to simplify licensee access to information for the preparation of Forest Stewardship Plans, a critical component of the FRPA, by improving the accessibility and usability of current data.
- Issues associated with the implementation of FRPA were identified and resolved through monthly meetings of the ministry's FRPA implementation teams, consisting of members from government, the forest and ranching sectors and the professional associations.
- Successful development and implementation of the Chief Forester's Standards for Seed Use, a key piece of the forest practices and planning legislative framework.
- The ministry supported the work of the Professional Reliance Task Team, which drew its membership from the four professional associations with legislated responsibilities in FRPA, in their efforts to define the role of resource professionals in a results-based legislative regime.
- Initiated inventory program review, involving data collectors, users and managers of the inventory, to coincide with transfer of inventory function to MoFR.
- Phased in implementation of a Forest and Range Evaluation Program (FREP) to ensure that B.C. is a world leader in sustainable forest management by providing the high quality, science-based information needed for decision-making and continuous improvement of B.C.'s forest practices, policies and legislation.

(2) Advice to decision-makers is guided by the principles of sustainability and best available science

Statutory decision-makers in MoFR and other agencies are supported by decision tools built from the best available science and analysis. These decisions include determination of Allowable Annual Cut, establishment of Visual Quality Objectives, identification of resource features and operational plan determinations. Achieving this objective depends on coordinated and cost-effective analysis and sound decision-making.



Strategies

1. Applying research and forest analysis to support policy development and statutory decision-making;
2. Supporting transfer of specified timber supply review activities to Defined Forest Area Management licensees;
3. Participating in the provincial Tree Improvement Strategy; and
4. Developing and delivering training programs.

Results

Progress towards meeting this objective and achieving the above strategies in 2005/06 is reflected in the following key accomplishments:

- Urgent timber supply reviews were initiated for three Interior timber supply areas (100 Mile House, Williams Lake, Morice). This work is consistent with priorities identified in the Mountain Pine Beetle Action Plan.
- Completed first approximation of provincial-level impact analysis for 20 TSAs affected by the mountain pine beetle.
- Provided best available information on updated Vegetation Resource Inventories (VRI) to support analysis for AAC determinations: acceptance/approval of eight VRI strategic inventory plans, nine VRI project implementation plans, three Phase 1 photo-interpretation inventory projects and four Phase 2 ground-sampling inventory adjustment projects.
- Completed establishment of 2,420 Photo Plots and 268 Ground Plots for the National Forest Inventory program (initiated in 2000). This completes the British Columbia commitment to the establishment phase of the National Forest Inventory program.
- Upgraded GIS skill sets of inventory staff in preparation for implementation of the Vegetation Resource Inventory Management System.
- Examination of best methods for gathering and maintaining inventory information on forest attacked by the mountain pine beetle.
- Promoted development of training material on how to review and comment on Forest Stewardship Plans for agency staff, public and First Nations.
- Tree Seed Centre met seedling request targets and ministry seed orchard production met expected seed production volumes.
- An updated Bio-geo-climatic Ecosystem Classification (BEC) map and database were made available across the province, essential to the forest practices policy framework and decision-making processes.
- Projection model of the spread of mountain pine beetle across the province was updated and a mountain pine beetle stewardship research strategy was completed.
- The Forest Science Program contributed significantly to best available science information by generating 760 extension products and events provincially.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of TSAs and TFLs for which AAC has been determined in the last five years	N/A	N/A	N/A	100	90	-10	△

Selection Rationale

This was a new measure in 2005/06, replacing "per cent of timber supply allowable annual cut determinations achieved by their scheduled deadline." The *Forest Act* requires that the provincial chief forester determine allowable annual cuts (AACs) for each Tree Farm Licence (TFL) and Timber Supply Area (TSA) at least once every five years. For the purposes of this measure, a postponement by the Chief Forester under the *Forest Act*, in cases where an AAC is not likely to be changed significantly, is considered a determination. This measure would provide a gauge of the currency of AACs in the province and serve as a rolling measure of the extent to which the timber supply review program is on schedule.

Results and Variance Explanation

Completed and released AAC determinations for four tree farm licences (TFL 15–Weyco, TFL 18–Canfor, TFL 53–Dunkley, TFL 49–Tolko) and seven timber supply areas (Arrow, Strathcona, Revelstoke, Cranbrook, Invermere, Merritt, Okanagan). Five of these determinations involved urgent reviews for mountain pine beetle-related AAC uplifts (Merritt, Okanagan, TFLs 18, 49, 53).

The shortfall in achievement is attributed to delays to TSRs in anticipation of completion of Land and Resource Management Planning (LRMP) processes (for the Midcoast, North Coast, Queen Charlottes TSAs and TFL 38); uncertainties about licensee viability and lack of activity on the licence area (for TFL 1).

Data Sources and Issues

Internal records.

Changes to the Measure

This measure is tracked internally to the ministry starting in 2006/07.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Volume gain of timber available for harvest in 65 years from all ministry tree improvement activities (Million cubic metres)	1.670	2.252	2.386	2.175	2.176	0.001	✓

Selection Rationale

Future volume gain is calculated from a provincial growth and yield model driven by genetic worth and quantity of improved seed actually deployed.

Results and Variance Explanation

Results were as targeted.

Data Sources and Issues

Internal records and Ministry Growth and Yield modeling.

Changes to the Measure

This measure is tracked internally to the ministry starting in 2006/07.

Objective 3: Deliver ministry programs required to manage provincial forest and range resources for sustainable benefits.

The ministry is responsible for several key programs that help deliver the stewardship mandate of government, which involves managing, restoring and improving forest resources. This is achieved through improving gene and seed resources, growing improved seedlings, reforestation and other silviculture activities. These activities are supported by quality inventory and data management, operational monitoring of forest practices and the outcomes of licensee strategies, maintenance of long-term environmental monitoring studies, testing of tree-seed parent characteristics, analyses of greenhouse gas emissions and carbon credits, measuring site productivity and predicting the growth and yield resulting from specific activities.

Many of these activities are undertaken collaboratively using multi-stakeholder committees and inter-agency partnerships. The level of funding available largely determines the extent that this objective can be achieved. Funding and priorities for the strategies under this objective come from several sources:

- Initiated development of the Vegetation Resource Inventory Management System (VRIMS) to replace the existing information management system (INCOSADA) for capturing, updating and maintaining the Vegetation Resource Inventory.
- The Forest Stand Management Fund (FSMF) — This fund provides for silviculture and environmental remediation work on areas where the obligation to establish a free growing stand has been transferred from a non-replaceable licence holder to the government.
- The South Moresby Forest Replacement Account (SMFRA) — This Account was created to mitigate the impacts of loss in timber supply and forest-based employment resulting from the creation of Gwaii Haanas National Park Reserve. Projects are related to two key program areas: Sustainable Forest Management; and Community Stability through Enhancing the Forest-Related Economy.
- The Forests for Tomorrow Program — This program will further stewardship of the forest land base by reforesting productive areas impacted by fire and mountain pine beetle infestation over the past few years. The results of this program are expected to be observed in the outcome indicator "ratio of area reforested to area harvested or lost to fire and pest," about five to seven years after reforestation.
- The Mountain Pine Beetle Action Plan (2005–2010) describes the provincial government's response and provides guidance for all agencies involved in the effort to mitigate the impacts of this unprecedented epidemic on forest values, communities and the provincial economy in the short term, and to ensure sustainability in the long term. For more information please refer to Appendix A1.



Strategies

1. Involvement and collaboration with external agencies and multi-stakeholder committees to assist in achieving ministry sustainability objectives;
2. Developing strategic plans to support full implementation of programs such as invasive plant prevention and control, karst and visual landscape inventories, comprehensive research through partnerships and other innovative delivery mechanisms and evaluating areas denuded by fire and pests to determine reforestation needs; and
3. Supporting ministry reforestation obligations.

Results

Progress towards meeting this objective and achieving the above strategies in 2005/06 is reflected in the following key accomplishments:

- Ministry actively involved in many multi-stakeholder research and innovations groups for the purposes of managing, restoring or improving forest resources. An example of such groups would include the Forest Science Board, Forest Genetics Council, several Canadian Council of Forest Ministers' working groups and the Canadian Forest Innovation Council.
- The tree breeding program continued to be guided by Forest Genetic Council priorities including increasing the average volume gain of select seed used for Crown land reforestation to 20 per cent by 2020, and, increasing select seed use to 75 per cent of the provincial total sown by 2013, as well as initiating research on resistance of lodgepole pine to mountain pine beetle.
- Under the Forests for Tomorrow Program 40 000 hectares of the area affected by the 2003 wildfires were surveyed of which 10 000 hectares have been prescribed for planting and 10 million seedlings are currently being grown.
- Released a report on the potential affects of climate change on B.C.'s forestry resources.

Performance Measure

Per cent achievement of ministry free growing obligations: This includes the ministry's reforestation obligations under the Forest Stand Management Fund and licences to cut. This is a new measure in 2005/06, replacing "Per cent achievement of ministry free growing obligations under the Forest Stand Management Fund." This new measure more accurately represents the ministry's responsibility for reforestation resulting from sources such as non-replaceable forest licences and licences to cut. Data are gathered from decisions made in the forest districts.

As there were no hectares scheduled to achieve free growing during the year, no report on this measure has been included here, and beginning in 2006/07 the measure will be tracked internally to the ministry.

Objective 4: Restore the forest resource in areas affected by the Mountain Pine Beetle Epidemic (includes Provincial and Federal support for Mountain Pine Beetle Action Plan implementation).

Progress on achievement of this objective is described in the Mountain Pine Beetle Action Plan Report in Appendix A1.

Objective 5: Monitor, evaluate, and continuously improve forest management.

Under new results-based legislation, evaluating the outcomes of forest practices in the field will be a key indicator of how effective the FRPA legislation is at protecting forest resources. To this end the ministry has initiated a FRPA Resource Evaluation Program (FREP), a multi-agency initiative to evaluate whether the FRPA will meet its results-based objectives, and whether forest and range practices and the legislation itself are meeting government's broader intent for sustainable resource management.

Public reporting on forest practices, program evaluations and the state of the forests can open dialogue with the *Forest and Range Practices Act* inter-agency implementation teams, resource professionals, the public, and other stakeholder groups. This dialogue is a key component to continuous improvement and innovation in forest management.

Strategies

1. Developing and implementing a coordinated and comprehensive effectiveness evaluation program related to FRPA forest values;
2. Developing and implementing a regional/district level monitoring program related to implementation of operational plans; and
3. Regularly evaluating and publishing information on the state of the forests.

Results

Progress towards meeting this objective and achieving the above strategies in 2005/06 is reflected in the following key accomplishments:

- Successful piloting of the use of satellite image change detection for mapping of red-attacked lodgepole pine stands in mountain pine beetle affected areas;
- Working with stakeholders, the ministry identified 41 priority questions that will guide the development of indicators for the FREP to determine if government's objectives for key values, like biodiversity, water quality and soil disturbance, are being achieved;
- Implementation of a province-wide voluntary resource stewardship monitoring program related to implementation of operational plans; and
- Ministry staff in 18 Forest Districts monitored biodiversity and riparian/fish values on 190 cutblocks and 280 streams.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Status of the "State of the Forests (SOF) Report"	N/A	N/A	Report with 6 indicators	Report with 12 indicators	90% achieved	-10%	△

Selection Rationale

This report will provide a periodic assessment of the state of British Columbia forests, aligning with national criteria and indicators of sustainable forest management.

Results and Variance Explanation

This report has been designed for publishing on the Internet, in separate reports published over a four year period, and culminating in a 24-indicator report. The first report, with six indicators (Ecosystem diversity, Protected forests, Timber harvest, First Nations involvement and Law and Certification) was delayed one year, published in March 2005. The second report with six additional indicators (Ecosystem dynamics, Species diversity, Genetic diversity, Ownership and management, Silviculture, and Jobs and communities) was targeted to be published by March 2006. It was delayed by the unforeseen complexity of preparing some of the new indicators, updating of indicators from the first report and preparing overviews of the 12 remaining indicators. The next installment of this report will be available online by the end of July 2006. The ministry intends to follow this with two more reports each including six additional indicators to be published in March 2007 and 2008.

Data Sources and Issues

Internal records.

Changes to the Measure

This measure has been converted to a percentage of report achievement to provide a better indication of progress, and will be tracked internally to the Ministry starting in 2006/07.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of FRPA values with measurable indicators for effectiveness evaluations	N/A	N/A	N/A	50%	64%	+14%	✓✓

Selection Rationale

This was a new measure in 2005/06 replacing "Number of completed effectiveness evaluations of the legislation." Effectiveness evaluations are used to determine whether policies, plans or practices under FRPA are resulting in the desired objectives being met. These field reviews are necessary to achieve ongoing improvements to the ministry's policy and legislation framework.

Results and Variance Explanation

There are 11 values under FRPA. Over the next several years under the FRPA Resource Evaluation Program (FREP), resource stewardship monitoring and evaluation indicators will be developed for all 11 values. To date, there have been indicators developed for the following seven values: biodiversity, fish-riparian, range-forage, recreation, timber, visual quality, and wildlife. Work is also underway on indicators for water quality, soils, resource features, and cultural heritage. All indicators are described on the FREP website at: <http://www.for.gov.bc.ca/hfp/frep>.

Data Sources and Issues

Internal records.

Changes to the Measure

This measure is tracked internally to the Ministry starting in 2006/07.

Objective 6: Protect, manage and improve range resources for multiple values.

This objective focuses on protecting Crown range resources through administration of rights for its use through the *Range Act* and agreements under FRPA.



Increasing public pressure on range resources for multiple uses is a risk to achieving this objective. The risk can be managed by working with other agencies on land use planning, evaluating current legislation and policy to assess effectiveness in protecting range resource values, education, extension, monitoring, and compliance and enforcement activities.

During 2005/06 the ministry established a Range Branch headquartered in Kamloops. The mandate of the branch includes the issuance and management of grazing leases and range extension. This facilitates the development of a critical mass of expertise and resources to ensure a healthy, sustainably managed and effectively and optimally tenured Crown range resource.

Strategies

1. Allocating, administering and managing range use.
For 2005/06, 93 per cent of all available Crown range was allocated under tenure. With the formation of the Range Branch and associated resources it is anticipated that this percentage will increase in 2006/07. The Range Branch has also started the ongoing review and approval of range use plans and range stewardship plans in accordance with the FRPA.
2. Evaluating rangeland health and effectiveness of range management practices.
During 2005/06 the health and effectiveness of range management practices were evaluated on alpine ranges and on one stream. The evaluation of forage quality and

productivity, through the collection of vegetation and soils data from Range Reference Areas also continued.

3. Restoring rangeland ecosystems degraded by forest ingrowth, forest encroachment and invasive plants.

See performance measure report below.

4. Promoting an understanding of rangeland management for multiple values.

The ministry, in collaboration with the British Columbia Cattlemen's Association produced 5,500 infoflips to assist ranchers, guide outfitters, and range management professionals and consultants in understanding the legal requirements, liabilities and responsibilities under FRPA. Under the range land health brochure series, the branch produced and published a methodology for monitoring Crown range. Additionally, the branch initiated the ongoing development of expertise in range extension.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Area restored to open forest and grassland (hectares)	N/A	N/A	3273	4100	2447	-1653	x
Selection Rationale							
A measure of the ministry's effectiveness in restoring rangelands that have been degraded by invasive plants or in-growth of trees. Areas are restored through treatments such as partial cutting, controlled burning and biological or chemical control of invasive species and are calculated as the area in hectares restored.							
Results and Variance Explanation							
There was a restricted burning window in 2005/06, which prevented planned controlled burning treatments to restore rangelands. However, an expanded restoration program in 2006/07, weather permitting, should make up some of this shortfall.							
Data Sources and Issues							
Data source for this measure is the Districts that are carrying out restoration treatments.							
Changes to the Measure							
This measure is tracked internally to the Ministry starting in 2006/07.							

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of available Crown range under a form of agreement	N/A	95	91	92	93	+1	✓
Selection Rationale Measures the effectiveness of the ministry's allocation and administration of range available for grazing or hay cutting and is based upon possible and actual range agreement areas. In the past this measure was based on animal unit months, but the change to range agreement areas makes it more representative of the agreement tenuring process.							
Results and Variance Explanation Range agreements were made available as targeted in 2005/06.							
Data Sources and Issues Data are collected from the current records of forest districts.							
Changes to the Measure None.							

Objective 7: Encourage long-term economic sustainability by mitigating the impacts of mountain pine beetle on livestock production and range use (includes provincial and federal support for Mountain Pine Beetle Action Plan implementation).

This objective reflects the ministry's intent to mitigate the impact of mountain pine beetle on livestock production by controlling livestock distribution and protecting environmental values in affected communities.

Progress on achievement of this objective is described in the Mountain Pine Beetle Action Plan Report in Appendix A1.

Objective 8: Promote compliance and ensure statutory obligations are enforced.

Protecting the province's forest and range resources is central to fulfilling the Forest Service's mandate by upholding the law. While part of managing for sustainable forest resources is ensuring that appropriate regulatory requirements are in place, an equally important part is to ensure that forest operators are achieving these statutory obligations. Achieving both objectives will provide confidence that our forest and range resources are being managed in a sustained manner.

A compliance and enforcement regime for FRPA and a compliance and enforcement regime for pricing and revenue, will protect the province's forest and range resources and



ensure British Columbians receive fair value from use of those resources, by upholding the law. Risks to achieving this objective are mitigated by having professional accountability for forest practices, a risk-based inspection regime, well-trained staff, effective legal counsel, and by working in partnership with other law enforcement agencies.

Strategies

1. Implementing a new compliance and enforcement regime for FRPA and a new compliance and enforcement regime for pricing and revenue including staff training on FRPA and *Forest Act* changes; and implementing quality assurance principles and procedures;
2. Monitoring the use of the Special Provincial Constable application by the Solicitor General; and
3. Assessing FRPA implementation and new *Forest Act* provisions to determine the compliance and enforcement program's readiness for increasing resource emphasis on revenue and forest crimes.

Results

Progress towards this objective and the above strategies in 2005/06 included:

- All staff have completed training on FRPA and received guidance on *Forest Act* changes. Training priorities for each level in the organization within the compliance and enforcement training matrix have been substantially completed to 85 per cent.
- Regional quality assurance principles and procedures were continued during 2005/06. The Provincial quality assurance model is under development.
- Special Provincial Constable (SPC) applications were approved by the Solicitor General.
- Policy development for implementation of an independent/integrated organizational model was completed.
- Assessment of FRPA implementation and new *Forest Act* provisions is ongoing. Resources have been reallocated from forest practices to pricing and forest crimes as required.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of high and very high priority sites inspected for forest and range practices compliance	N/A	82.6	81.6	85.4	86.7	+1.3	✓
Selection Rationale Site visits are targeted to available very high and high priority sites where environmental, social and/or economic values have been identified as being at high risk. <i>*Note: In 2005/06, the transition to full implementation of the Forest and Range Practices Act with five different vintages of forest practices legislation active on the same land base continued. It added complexity and challenges to inspection performance. These were: the Forest Act, the Forest Practices Code of British Columbia Act, the Forests Statutes Amendment Act (No. 2), 2002 (Bill 75), the Forest and Range Practices Act (Bill 74), and the code pilot projects established by regulation under Part 10.1 of the Forest Practices Code of British Columbia Act.</i>							
Results and Variance Explanation High priority sites were inspected as planned in 2005/06.							
Data Sources and Issues Data are from the Compliance Information Management System.							
Changes to the Measure This measure is tracked internally to the ministry starting in 2006/07.							

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of high and very high priority sites inspected for pricing and revenue compliance	N/A	83	84.4	85	82.8	-2.2	✓
Selection Rationale Site visits are targeted to priority sites where, social and/or economic values have been identified as being at high risk.							
Results and Variance Explanation The achievement is within the acceptable variance for this measure.							
Data Sources and Issues Data are from the Compliance Information Management System.							
Changes to the Measure This measure is tracked internally to the ministry starting in 2006/07.							

Objective 9: Actively foster sustainable management and improve the public forest and forage asset base.

This objective was slightly reworded for the 2006/07 service plan to: **Sustainable forest management is fostered through incremental improvements to the public forest asset base.**

The high level objective of the Forest Investment Account (FIA) is to assist government in developing a globally recognized, sustainably managed forest industry.

In the 2006/07 service plan, the second Forest Investment objective from 2005/06 under Goal 3 (Sound governance and effective and efficient delivery of forest investments to assist government to develop a globally recognized, sustainably managed forest industry) was collapsed into the above objective. This reflects that the governance and overall administration of the Forest Investment Account and agreements with third-party administrators, is one component of the overall objective of fostering sustainable forest management.

Fostering sustainable forest management is pursued through all of the FIA programs, but especially the Land Base Investment Program. Investment dollars are directed to incremental activities on public land — enhanced forestry (stand establishment and treatment), watershed restoration and rehabilitation and resource inventories that support sustainable forest management and increase allowable annual cuts. Risks associated with achieving FI objectives and demonstrating value-for-money are effectively mitigated through third-party administration and audit agreements, program boards and councils, technical standards and oversight provided by the Forest Investment Council.

In 2005/06, each FIA program contributed towards supporting investments in provincial forest resource initiatives (e.g., Mountain Pine Beetle action plan, new wood products and marketing, knowledge and information, and incremental forest land base activities) in an effort to maintain and improve the long-term sustainability and health of the province's forest and range resources. Further detailed information is available in Appendix A4 on the accomplishments in 2005/06 of FIA program expenditures.

Strategies

1. Acquire better information about forest resources; foster comprehensive strategic land-use planning; facilitate science-based utilization of the resource.

Over \$31 million was expended in 2005/06 under the Land Base Investment (LBIP), Small Tenures, Crown Land Use Planning Enhancement, Tree Improvement and Forest Science Programs towards this strategy. Accomplishments associated with this expenditure can be found in Appendix A4.

2. Support the feasibility of third-party certification; fund reforestation of areas denuded naturally, or by harvesting before 1987.

Approximately \$9 million was expended in 2005/06 under the LBIP and Small Tenures program towards this strategy. Indirectly related to this strategy, an additional \$8.8 million was expended towards mitigating the mountain pine beetle infestation, other significant

forest health pests and disease, and invasive plants that affect the denudation of forest and range lands in the province. Accomplishments associated with these expenditures can be found in Appendix A4.

3. Reclaim and enhance site productivity and restore damaged ecosystems.

Approximately \$2.9 million was expended under the LBIP and Small Tenures program towards reclaiming and enhancing site productivity and restoring damaged ecosystems. This includes activities associated with maintaining and enhancing forest recreation sites and trails as well as environmental hazards associated with forest roads that are not being used under any authorization by a government agency. Accomplishments associated with these expenditures can be found in Appendix A4.

Performance Measures

Assessment of outcomes and outputs is captured in the summary key outcome indicator and through reports generated by the third party administrators. These reports can be found at:

- <http://www.fialicensees.com>;
- http://www.for.gov.bc.ca/hcp/fia/small_tenures.htm; and
- <http://www.bcfsp.com>.

Ministry Goal 2: Sustainable Forest and Range Benefits.

Forestry generates substantial revenues to the provincial government and remains a major contributor to B.C.'s current and future economic health. Sustainable forest and range benefits rely on a strong forest economy and a globally competitive forest sector, which the ministry supports through its forestry revitalization policies. The ministry also recognizes the interests of First Nations in accessing forest and range benefits now and in the future.

The ministry tracks overall sustainability of resources on an annual basis using key outcome indicators. Status and trends based on data available for assessment in 2005/06 is as follows:

Key Outcome	Indicator	2005/06 Status / Trend
Strong forest economy	B.C.'s share of the U.S. softwood lumber market	good / stable
	B.C.'s share of Japan softwood lumber imports	poor / declining
Globally competitive forest sector	Increase in wood product sales to Taiwan, China and Korea	poor / declining
	Percentage increase in forestland certified by major forest certification process	good / increasing
Revenue benefit from public forest and range resources	Crown forest gross Revenue	fair / declining
	Crown gross revenue from BC Timber Sales	fair / increasing

Status is good, fair or poor; Trends are increasing, stable or declining.

The ministry has put significant effort towards sustaining the benefits of the forest and range resource over the past year. Increased exports to the U.S. have been somewhat offset by a decrease in exports to Japan and the Asia-Pacific region, however the certification of forest land, which increases access to world markets, continued to grow. Within the province gross revenues from BC Timber Sales were up slightly over 2004/05 mainly due to increased volumes reallocated through the forestry revitalization initiative, however the overall trend of Crown forest gross revenue is declining in part due to the increased harvesting of lower quality pine affected by the mountain pine beetle and lower prices for lumber and other forest products. During 2005/06 the ministry continued to offer economic forest opportunities to First Nations through the signing of 29 accommodation agreements increasing the total number signed to 76. As well, access to communities and recreation sites was improved through the replacement of 95 structures on Forest Service roads.

Key Outcome Indicators

Key Outcome Indicator	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Projection	2005/06 Actual	Variance
B.C.'s share of the U.S. softwood lumber market	17.6	18.1	18.1	18	19	+1
Selection Rationale The provincial forest sector is highly dependent on exports. The health and diversity of export markets is a good indicator of the strength of the forest economy. The U.S. is British Columbia's largest customer for softwood lumber.						
Results and Variance Explanation B.C. lumber producers increased their market share in the U.S. despite countervailing duties and the increasing Canadian dollar, through improved productivity. In response to record lumber demand in 2005, the U.S. continued to be the dominant export market for B.C. forest products, followed by Japan and Europe. Although B.C.'s share of the U.S. market increased in 2005, the actual dollar value decreased 5.4 per cent due to appreciation of the Canadian dollar.						
Data Sources and Issues Economics and Trade Branch calculates this based on American Forest Products Association (AFPA) statistics on U.S. consumption and the Statistics Canada data on B.C. and Canadian exports. Statistics for this indicator are updated on a calendar year basis.						
Changes to the Measure This measure is tracked internally to the ministry starting in 2006/07, and will be used to inform the ministry's strategic context.						

Key Outcome Indicator	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Projection	2005/06 Actual	Variance
B.C.'s share of Japan's softwood lumber imports	43	40	40	40	37	-3
Selection Rationale						
Japan is British Columbia's second largest softwood lumber customer.						
Results and Variance Explanation						
As a result of increased competition from Europe and Russia and weakened demand for west coast Douglas-fir and hemlock, B.C.'s share of the Japanese market declined significantly.						
Data Sources and Issues						
Statistics for this indicator are updated on a calendar year basis. Import volumes are published annually by the Japan Wood Products Information and Research Centre.						
Changes to the Measure						
This measure is tracked internally to the ministry starting in 2006/07, and will be used to inform the ministry's strategic context.						

Key Outcome Indicator	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Projection	2005/06 Actual	Variance
Increase in wood product sales to Taiwan, China and Korea	N/A	34	11	10	-7	-17
Selection Rationale						
This indicator was added in 2003/04, to track the results of work targeted by Forestry Innovation Investment Ltd. Increasing wood product sales to Taiwan, China and Korea indicates an expansion into new markets for B.C. wood products.						
Results and Variance Explanation						
Because of the strong U.S. housing market, producers focused on the U.S. market when faced with high transportation costs and an appreciating Canadian dollar.						
Data Sources and Issues						
Statistics for this indicator are updated on a calendar year basis using data from Statistics Canada reports of wood exports in dollars. Pulp and paper is not included. China includes Hong Kong.						
Changes to the Measure						
This measure is tracked internally to the ministry starting in 2006/07.						

Key Outcome Indicator	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Projection	2005/06 Actual	Variance
Percentage increase in forestland certified by major forest certification process	99	48	33	>10	43.5	+33.5
Selection Rationale This is a key outcome indicator of a globally competitive forest sector. Major forest certification processes are the Canadian Standards Association (CSA), Forest Stewardship Council (FSC) and Sustainable Forest Initiative (SFI). The International Standards Organization (ISO) is excluded.						
Results and Variance Explanation B.C. forest companies continue to obtain certification at a fast growing rate. Table 5 summarizes the hectares certified by the three major forest certification processes. Specific company information may be obtained from http://www.CertificationCanada.org .						
Data Sources and Issues Starting in 2003, the data are expected to be available only twice a year (in December and June) from the Canadian Sustainable Forestry Certification Coalition, and is published at: http://www.CertificationCanada.org . The data represent a December to December, year over year performance. December was chosen as the reporting date in order to meet government's annual reporting timelines. If a forest area has been certified to more than one of the three standards, the area is counted more than once and the hectares certified are therefore not representative as a portion of the provincial forest land base.						
Changes to the Measure This measure is tracked internally to the ministry starting in 2006/07, and will be used to inform the ministry's strategic context.						

Table 5: Area of forestland (in hectares) certified by major forest certification processes

Year	Report date	CSA (hectares)	FSC (hectares)	SFI (hectares)	Total hectares certified	Year to year — Per cent increase
2005/06	Dec 2005	23 230 560	175 408	18 914 550	42 320 518	43.5
2004/05	Dec 2004	10 830 000	250 984	18 410 550	29 491 534	33
2003/04	Dec 2003	10 200 000	100 291	11 840 550	22 140 841	48
2002/03	Dec 2002	5 330 000	89 130	9 530 550	14 949 680	99
2001/02 (benchmark)	Dec 2001	2 620 000	88 338	4 810 550	7 518 888	—

Key Outcome Indicator	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Projection	2005/06 Actual	Variance
Crown forest gross revenue (\$ billions)	1.296	0.987	1.322	1.172 (Updated to 1.156 in Jan 2006)	1.145	-0.027
Selection Rationale The Crown forest and range gross revenue is a measure of the value that the public receives from its forest and range resources. The total amount of revenue realized by the ministry and collected by government during the fiscal year includes BC Timber Sales, Timber Tenures, Range Use and other MoFR revenues.						
Results and Variance Explanation During 2006/07, the U.S. housing market is expected to soften, resulting in lower prices for lumber and other forest products. With a continuing strong Canadian dollar, it is expected that stumpage revenues and harvest volumes will decline slightly for the next few years.						
Data Sources and Issues Data source: Harvest Billing System.						
Changes to the Measure None.						

Table 6: 2005/06 Revenue (Unaudited) by Category and Forest Region

Revenue Categories	Coast	Northern Interior	Southern Interior	Victoria	Total [†]
(thousands of dollars)					
Timber Tenure Stumpage.....	92,189	398,264	328,549	(3,276)	815,727
Harvest Rents and Fees.....	6,836	9,750	8,487	(7,607)	17,466
BC Timber Sales.....	49,513	126,805	100,501	(3,074)	273,746
Export.....	3,723	267	121	120	4,230
Range.....	4	408	1,528	1	1,941
Waste.....	3,527	368	231	(171)	3,955
Penalties.....	1	1	15	0	16
Interest.....	577	718	190	(477)	1,008
Miscellaneous.....	770	178	59	69	1,076
Federal Government Bark Beetle Transfer.....	0	0	0	26,154	26,154
Total	157,140	536,759	439,680	11,738	1,145,317

[†] Totals may not add up due to rounding.

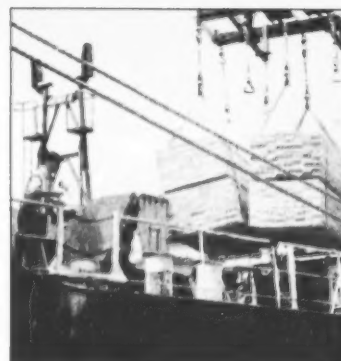
Key Outcome Indicator	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/05 Projection	2005/06 Actual	Variance
Crown gross revenue from BC Timber Sales (\$ millions) (unaudited)	n/a	185.7	266.1	301.6	273.7	-27.9
Selection Rationale						
Crown forest gross revenue from BC Timber Sales is the total amount of money earned by BC Timber Sales during the fiscal year (includes stumpage (upset and bonus bids), and misc. revenues).						
Results and Variance Explanation						
The revenue shortfall of \$27.9 million or 9.2 per cent is a result of poor forest economic conditions in the coastal market and overall lower than forecast billed rates for timber harvested. While revenue fell short of target in 2005/06, it is still a \$7.6 million or 2.9 per cent increase over 2004/05.						
Data Sources and Issues						
Harvest Billing System.						
Changes to the Measure						
This measure is tracked internal to the ministry starting in 2006/07 but will continue to be publicly reported by BC Timber Sales.						

Objective 1: Maintain access to markets for B.C. forest products.

This objective reflects the ministry's intent to maintain and grow international markets.

This objective was reworded in 2006/07 to be: **Improved access to markets for B.C. forest products** which reflects an intention to improve not just maintain market access.

This objective reflects the ministry's intent to maintain the traditional U.S. and Japanese markets and grow in international markets, such as Taiwan, China and Korea. The ongoing effort needed to address the softwood lumber dispute with the U.S. is being managed by the ministry and through partnerships with other ministries, the federal government and Forestry Innovation Investment Ltd.



Strategies

1. Continuing to pursue free access for B.C. forest products to markets in the U.S.

During 2005/06, the Ministry of Forests and Range continued to pursue free access for B.C. forest products to U.S. markets. To achieve the objective, the province followed a two-track strategy that involved litigation and appeals of the U.S. countervailing duties and discussions aimed towards a negotiated resolution of the softwood lumber dispute.

On April 27, 2006, Canada and the U.S. agreed to the broad terms of an agreement that would end the softwood lumber dispute. It establishes the option of an export tax or quota with reduced tax rates. Canadian regions will choose which option they want. For the purpose of the deal, the Coast and Interior of B.C. are two different regions. The tax and quota levels under the agreement vary, depending on the price of lumber. If lumber prices, as measured by the Random Lengths framing lumber composite price, remain at US\$ 355 per thousand board feet or above, there would be no tax or quota. Further, the Agreement will result in the revocation of duties and return to Canadian forest companies of about \$4 billion (U.S.).

2. Continuing work with Forestry Innovation Investment Ltd. (FII) on market access issues.

During 2005/06 FII and the ministry worked more closely on issues of mutual interest such as increasing the exposure of B.C. timber products in the Asia-Pacific region.

Performance Measures

Achievement of this strategy is tracked by the key outcome indicators "B.C.'s share of the U.S. softwood lumber market," "B.C.'s share of Japan softwood lumber imports," "Increase in wood product sales to Taiwan, China, and Korea," and "Percentage increase in forestland certified by major forest certification process."

Objective 2: Recover the greatest value from dead stands impacted by mountain pine beetle, while respecting other forest values and encourage long-term economic sustainability for communities affected by the mountain pine beetle epidemic (includes provincial and federal support for Mountain Pine Beetle Action Plan implementation).

Progress on achievement of this objective is described in the Mountain Pine Beetle Action Plan Report in Appendix A1.

Objective 3: Ensure that the public receives fair value for the use of its forest and range resources now and in the future.

Asserting the financial interests of the Crown by pricing and billing for revenue from Crown forest and range resources supports achievement of the Government's Five Great Goals. Progress towards this objective in 2005/06 was achieved in that the public is receiving fair value for the use of the resource, however the amount of revenue has been declining as identified in the Crown forest gross revenue measure.

Strategies

1. Implementation of the Interior market-based pricing system.

Progress towards this strategy in 2005/06 was continuously monitored. The Interior Market Pricing System is expected to be implemented July 1, 2006.

Performance Measure

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Status of the implementation of the market-based pricing system	N/A	Coast implemented February 29, 2004	Interior implementation (readiness in 2005)	Implement in 2005/06	Implementation expected July 1, 2006	—	x
Selection Rationale							
The market-based pricing system is expected to increase the competitiveness of the forest industry and provide greater incentives for capital re-investment. It may also lead to greater variability in provincial revenues.							
Results and Variance Explanation							
The timing of the implementation of the Interior Market Pricing System is dependent and linked to the outcomes and timelines of the provincial and ministry policy reforms and initiatives (i.e., softwood lumber litigation and negotiations) currently underway.							
Data Sources and Issues: N/A							
Changes to the Measure							
This measure will not be tracked and reported by MOFR any longer, as the system in the Interior will be implemented on July 1, 2006.							

Objective 4: Provide opportunities to generate wealth from the forest resources.

This objective was changed to **Use of the AAC is optimized through effective tenuring** for the 2006/07 Service plan. This change more accurately reflects that Crown tenures are the main means through which the ministry provides opportunities to generate wealth through the forest resources.

Crown tenures are used to allocate, manage and monitor forest resource opportunities to meet social, economic and other public forest policy objectives. A fair and effective tenure system ensures that timber apportioned in timber supply areas is available to licensees. The ministry is consulting with First Nations to determine if aboriginal interests would be affected by changes in apportionments and Crown tenure issuance processes. First Nations are benefiting from these processes through the First Nations Forest Strategy, which has the objective to increase First Nation participation in the forest sector. The ministry is monitoring and managing potential delays in reallocating the volume taken back from forest licensees under the *Forestry Revitalization Act* and from the increase in new tenures from additional volume approved for cutting as part of mountain pine beetle salvage operations. During 2005/06 most of the take-back volume was reallocated and disposition of the remaining mountain pine beetle uplift is currently committed to First Nations through direct award opportunities.

Strategies

1. Ensuring that timber apportioned in timber supply areas (TSAs) is available to licensees through tenure.

For 2005/06 the ministry was diligent in the disposition of available volumes through the issuance of licences in a timely manner, however, issuance of licences to First Nations for mountain pine beetle uplift volumes and delineation of operating areas for reallocation volume is taking some additional time to complete the negotiation process. As well during 2005/06 the issuance of new woodlot licences was put on hold while an internal review, in consultation with the Federation of B.C. Woodlot Associations, is completed.

2. With much of the forestry revitalization legislation in place, the primary focus for 2005/06 was with its implementation.

Forest revitalization legislation including revisions was successfully implemented as required.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of Timber Supply Area AAC under a form of tenure	97	94.7	88	90	88.8	-1.2	✓
Selection Rationale This is a measure of the effectiveness of the ministry's apportionment of the AAC within a TSA to various programs, and its issuance of tenures, such as Forest Licences and Community Forest Agreements, under these programs. Tree Farm Licences, woodlot licences, and tenures under the BC Timber Sales program are not included.							
Results and Variance Explanation The targets for this measure were reduced in 2005/06 due to the AAC uplifts resulting from the bark beetle infestation, and the reallocation of 20 per cent of the logging rights from major licensees to create new opportunities for new entrepreneurs and small operators. Additional resources were targeted in 2005/06 to mitigate the reduction, and the measure has been achieved within acceptable variance for the accuracy required.							
Data Sources and Issues Data are from the Apportionment System.							
Changes to the Measure This measure is tracked internally to the ministry in 2006/07, and may be re-introduced in the 2007/08 Service Plan.							

Objective 5: Provide a reliable and environmentally sound forest road network.

The intent of this objective is to provide the necessary infrastructure to access timber, range, communities, recreation, and other resource values while minimizing environmental impacts. Routine activities that contribute to achieving this objective include carrying out maintenance on Forest Service roads in conformance with legislation and policies, replacing deteriorated priority non-industrial FSR bridges, and deactivating Forest Service roads no longer required.

Achieving this objective is largely influenced by access to funding and resources to replace deteriorating bridges and undertake emergency and routine repairs. These high-cost activities are offset by the benefits of maintaining industrial and community access important to the forest economy and British Columbians. In addition, the costs of mitigating environmental damage and re-establishing access are higher over time, when not addressed in the short term.

In 2005/06, increased funding was targeted to the replacement of priority bridges that have deteriorated on non-industrial use Forest Service roads that access communities, rural residences and priority recreational areas.

The 2005/06 bridge replacement program was successfully implemented. Ninety-five bridges on Forest Service roads were replaced in 2005/06. In addition to the fully replaced bridges, another nine structures had designs completed and materials acquired and are awaiting installation; nine others had designs completed for future use. The total number of bridge projects worked on was 113.

Strategies

1. Developing legislation, policy and standards for all forest roads.

Work has commenced on the development of the *Resource Roads Act*. The Ministry of Forests and is the sponsoring ministry. The legislation is anticipated to be introduced to the legislature in the spring 2007. The *Resource Roads Act* will harmonize administration and standards of resource roads under a single act and eliminate conflicts related to road use as a result.

The Engineering Manual was revised to be a comprehensive document to capture MoFR access-related policy and procedures into a single manual. The policy in the Engineering Manual will be used by both BC Timber Sales and the operations division of the Ministry of Forests and Range.

Standards were developed in 2005/06 for bridge materials acquired by the ministry, and work to review and revise bridge standards is continuing.

Maintenance standards, for maintenance cost-sharing with the forest industry were drafted and reviewed. Implementation is scheduled for the 2006 field season.

2. Carrying out maintenance activities on Forest Service roads in conformance with legislation and policies.

The funding policy for road and structure maintenance, road deactivation, and road closure was amended and updated for fiscal 2006/07 to: create a subset of Forest Service roads called Recreation Use Forest Service roads and to provide criteria for their maintenance; and to address criteria for funding maintenance on non-status roads.

3. Providing low order maintenance, to ensure access-related surface and structural maintenance as necessary for safe public access to priority recreational areas.

The fiscal 2006/07 funding policy for road and structure maintenance, road deactivation, and road closure was amended and updated. The funding policy was revised to capture maintenance of Recreation Use Forest Service roads to now provide a recreation access level of maintenance to both "high value" Forest Recreation sites and trails and to "important" recreation areas, including selected provincial parks and recreation features.

4. Balance the industrial, commercial and public use of the forest road network in a cost-effective manner reflecting the level of use, which may include deactivation and transfers to other agencies or organizations.

The proposed *Resource Roads Act* will provide a measure of balance between resource agencies.

Discussions for rationalizing the forest road network and establishment of a memorandum of understanding with the Ministry of Transportation for road transfers between agencies are ongoing.

Performance Measures

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of key engineering activities substantially achieved (as per aggregate index)	90	100	+10	✓✓
Selection Rationale This measure was introduced in 2005/06 as a pro-rated measure of overall performance in achieving key engineering activities consisting of Forest Service road and bridge inspection, maintenance and deactivation.				
Results and Variance Explanation Due to the methodology of measuring results, the results were skewed inordinately high by the Resource Tenures and Engineering Branch exceeding its target on the number of effectiveness evaluations.				
Data Sources and Issues Data source: tracked internally, calculated from information collected by the forest districts.				
Changes to the Measure This measure will not be tracked in the future due to difficulty with the methodology of collecting and analyzing the data as an aggregate index.				

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of kilometres of Forest Service roads, where the district manager is directly responsible for maintenance, that are open for public access	> 90	100	+10	✓✓
Selection Rationale The purpose of this new measure introduced in 2005/06 is to provide a measure of Forest Service roads open for public access in accordance with the maintenance policy. Forest Service roads that are maintained by district managers do not remain static in number. Forest Service roads that are used by industry may revert to the district manager for maintenance due to inactivity by the industrial user. Where there is a requirement for public access, as determined by the district manager, the ministry may assume responsibility for maintaining a Forest Service road.				
Results and Variance Explanation All Forest Service Roads under the responsibility of the ministry were maintained and open for public access throughout 2005/06.				
Data Sources and Issues Information is reported by each district.				
Changes to the Measure None.				

Performance Measure	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent reduction (-) or increase (+) to the Forest Service road network	-0.9	0	+0.15	+0.15	✓
Selection Rationale The measure reflects the strategy of the ministry to balance the industrial, commercial and public use of the forest road network in a cost-effective manner reflecting the level of use. The baseline for this measure is the total kilometres of Forest Service roads excluding BC Timber Sales Forest Service roads which was 12 500 km in 2003/04, less 116 km in 2004/05.					
Results and Variance Explanation The 0.15 per cent increase represents a total of 51 kilometres added to the road network in 2005/06, which is within 99% of the target of 0 per cent increase to the 12,500 km network.					
Data Sources and Issues Information is reported by the districts.					
Changes to the Measure This measure is tracked internally to the ministry starting in 2006/07.					

Objective 6: Increase First Nation opportunities for participation in the forest sector, provide stability on the land base, and ensure forestry operations respect First Nation interests on the land base.

This objective supports the ministry's intent to provide leadership, negotiation skills, advice and overall coordination with respect to forest and range in the New Relationship with First Nations. Achieving this objective will support government's objective to ensure Aboriginal communities share in the economic and social development of B.C. To assist in meeting this objective, the ministry has been and is continuing to negotiate Forest and Range Agreements/Opportunities (FRA/FRO) with First Nations. Many of these agreements also outline a streamlined process of consultation and accommodation for aspects of First Nations asserted rights and title.

The Ministry of Forests and Range also has a key role to play in supporting the Ministry of Aboriginal Relations and Reconciliation in treaty negotiations and furthering the New Relationship. The MoFR seeks to work on the following strategies in an open, transparent and collaborative approach with First Nations.

Strategies

1. Consult with First Nations in accordance with the Crown's legal obligations.

It is necessary that the ministry acts in a manner consistent with existing legislation, case law and government policy to determine if aboriginal interests may be impacted by forestry activities. The establishment and maintenance of cooperative relationships with First Nations in the management of forest resources is a strategic ministry priority that directly affects fibre flow, the forestry employment base, the stability of the forest

industry and the provincial economy. In addition, dealing with First Nations interests in an upfront and decisive manner will ultimately help to provide for understanding between different groups, and avoid disruptions to the ministry's day-to-day operations. The Government of B.C. and leaders from provincial First Nations' organizations are working together to develop a common framework on how to implement consultation and accommodation agreements since the Supreme Court of Canada (SCC) ruled on the Haida and Taku cases. While this work continues, the ministry will pay close attention to the SCC decision and continue to follow the steps set out in approved consultation guidelines. When the corporate work is completed, the ministry will implement the new consultation framework.

2. Negotiate agreements with First Nations:

- implement the First Nations Forest Strategy (FNFS) offering access to economic forest opportunities to First Nations through accommodation agreements; and
- increase First Nations' participation in the forest sector through direct award tenures.

As a result of the New Relationship, in 2005/06 a new forestry agreement, the Interim Agreement on Forest and Range Opportunities (FRO), was developed and is now being used.

These agreements provide a period of stability for forest and range resource development. FRAs/FROs include the provision of economic benefits in the form of tenure and revenue sharing. As well, many agreements define a process between the ministry and a First Nation for consulting on and addressing aboriginal interests.

In 2005/06, 29 agreements were signed (21 FRAs and eight FROs), bringing the cumulative total to 76 agreements. These agreements commit the ministry to make available to First Nations approximately 11.2 million cubic metres of timber volume and a total of \$131.2 million in revenue sharing over the terms of the agreements.

In addition to FRAs/FROs, under the *Forest Act*, the minister may invite, without competition, applications from First Nations for forest tenure. These usually deal with short term salvage opportunities for either mountain pine beetle, or for fire salvage. To date, 29 direct award agreements have been signed providing tenure opportunities and access to 7.1 million cubic meters to First Nations (4 of these were signed in 2005/06 for mountain pine beetle tenure opportunities).

3. Support for priority treaty tables.

The ministry continues to provide support to priority treaty tables under active negotiation by the Ministry of Aboriginal Relations and Reconciliation. In addition to providing support to the tables, specific policy initiatives dealing with forestry mandates were developed. The following treaty tables were under active negotiation in 2005/06, with MoFR providing support to both policy and mandate development and negotiation. They are Lheidl'Tenneh, Maa-nulth, Sliammon, Yekooche and Yale. MoFR also continues to be involved in actively implementing the Nisga'a treaty.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Total number of Forest and Range Agreements							
• Offered to First Nations	n/a	71	101	142	141	-1	
• Signed with First Nations		22	47	75	76	+1	✓
Selection Rationale These agreements provide a period of stability for forest and range resource development. They include the provision of economic benefits in the form of tenure and revenue sharing, and many agreements define a process between the ministry and a First Nation for consulting on and addressing aboriginal interests. These agreements begin with an offer to a First Nation to enter into an agreement; the time required to conclude negotiations is variable. Some agreement offers include more than one First Nation in the offer. The number of eligible First Nations to be offered agreements is 176. Offers to negotiate agreements will be made to all 176 eligible First Nations by the end of fiscal 2006/07. Although offers are made to all eligible First Nations, it is anticipated that not all offers will be accepted or result in signed agreements.							
Results and Variance Explanation Performance measures were substantially achieved as targeted.							
Data Sources and Issues Data source: tracked internally.							
Changes to the Measure The number of offers to First Nations is being tracked internally to the ministry starting in 2006/07. The number of agreements will continue to be tracked in the ministry's service plan.							

Objective 7: Provide a credible reference point for costs and pricing of timber harvested from public land in B.C.

This objective was combined with Objective 8 (below) in the 2006/07 service plan to create the following new objective: "Using sound forest management, net revenue to the province is optimized and a credible reference point for costs and pricing of timber harvested from public land in B.C. is provided."



This objective supports: market-based pricing to ensure that the public receives fair market value for the use of its forest resources; the generation of revenue to the Province; the ministry as a major contributor to B.C.'s current and future economic health; and a strong forest economy and competitive forest sector.

Objectives 7, 8 and 9 are accomplished through the BC Timber Sales core business area. BC Timber Sales is an arm's length program within the ministry, with operational and financial independence from regional and district operations. The program markets Crown timber to support market pricing and capture the value of the timber assets for the public. The objectives, performance measures and results included in this section are only a subset of those tracked and reported on by BC Timber Sales. For full information on BC Timber Sales' 2005/06 performance refer to the 2005/06 BC Timber Sales Annual Service Plan Report at: <http://www.for.gov.bc.ca/bcts>.

Results

BC Timber Sales continued to make significant progress toward achieving a sufficient market presence to be a credible reference point. The per cent of the total provincial ministry annual timber volume available that was auctioned by BC Timber Sales during the year increased 28 per cent over the prior year.

Strategies

1. Implementing systems and processes to ensure that the program's cost and pricing data are complete, accurate, reliable, verifiable, and are contained; and
2. Negotiating operating areas and the purchase assets on lands re-assigned through the timber reallocation process.

During the year BC Timber Sales continued to implement and enhance systems and processes to ensure that cost and pricing data are complete, accurate, reliable, verifiable, and are contained. Negotiations over operating areas and the purchase assets on lands re-assigned through the timber reallocation process are now largely complete. Negotiations for areas and final agreement on payments for soft assets will be finalized in fiscal 2006/07 allowing BC Timber Sales to increase focus on development of new timber sales across the province.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of total timber volume available, auctioned by BCTS	n/a	n/a	14	15	18	+3	✓✓
Selection Rationale Per cent of the total provincial ministry annual timber volume available that was auctioned by BC Timber Sales during the year. This is a key outcome indicator of the program's success in supporting the market based pricing system and being a credible reference point for costs and pricing by auctioning an increasing proportion of provincial timber.							
Results and Variance Explanation Staff efforts towards developing and offering timber for auction and timber reallocation during the year contributed to BC Timber Sales exceeding its target by auctioning 18 per cent of the total provincial timber volume available during the year, which is 28% higher than in 2004/05.							
Data Sources and Issues Revenue Branch and the ministry's apportionment system.							
Changes to the Measure None.							

Objective 8: Optimize BCTS net revenue to the province, within the parameters dictated by its benchmarking mandate and sound forest management.

(This objective was combined with Objective 7 in the 2006/07 service plan as described above)

This objective supports the provincial government and the ministry as major contributors to the current and future economic health of the province. BC Timber Sales strives to optimize, rather than maximize, net revenue. To do this, BC Timber Sales seeks a balance between generating revenues, being a credible reference point and ensuring safe and sound forest management practices.

Results

Poor forest economic conditions in the coastal market and overall lower than forecast billed rates for timber harvested adversely impacted on gross revenues resulting in BC Timber Sales achieving 81.5 per cent of its net revenue target for the year.

Strategies

1. Containing costs and maximizing auction bids, within the parameters of the program's benchmarking mandate by implementing systems and processes to support effective decision-making and taking steps to reduce bidder risk;

2. Implementing requirements of the *Forest and Range Practices Act*; and
3. Increasing the volume of timber sold under certification.

During the year BC Timber Sales continued efforts to contain costs by identifying and implementing contracting efficiencies, implementing systems and processes to support effective decision-making. In 2005/06, 93 per cent of timber developed for auction was "fully developed" to reduce bidder risk and maximize auction bids.

BC Timber Sales made significant progress towards to having all forest stewardship plans submitted for approval by September 2006 and anticipated approval either by the end of 2006 or early in 2007.

Increasing the volume of timber sold under certification is a key part of BC Timber Sales' commitment to sustainable benefits and employing sound forest management practices. In 2005/06 100 per cent of BC Timber Sales' Business Areas achieved environmental management system certification under the International Standards Organization (ISO) 14001 standard.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Crown net revenue from BC Timber Sales (\$ millions)	143.0 (Note 1)	101.1	150.2	153.2	124.8	-28.4	△
Selection Rationale Net revenue is gross revenue net of capitalized expenses and period costs. This is a measure of the success of BC Timber Sales in optimizing revenue to the province. Note 1: 2002/03 net revenue was achieved as the former Small Business Forest Enterprises Program prior to the creation of BC Timber Sales April 1, 2003.							
Results and Variance Explanation Variance due to under achievement of target gross revenues. Capitalized expenses were on target for the year. The lower gross revenue primarily resulted from the poor forest economic conditions in the coastal market and overall lower than forecast billed rates for timber harvested.							
Data Sources and Issues Data source: Harvest Billing System and the Corporate Accounting System (CAS).							
Changes to the Measure This measure is tracked internally to the ministry starting in 2006/07 but will continue to be publicly reported by BC Timber Sales.							

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Average cost per cubic metre of volume developed by BCTS	n/a (Note 1)	n/a (Note 1)	8.57/m ³	13.90/m ³	8.24/m ³	-5.66/m ³	✓✓
Selection Rationale This is a measure of BC Timber Sales' performance in containing costs contributing towards optimizing net revenue and is equal to the average inventory cost of developed timber. Inventory costs include all costs incurred to plan, develop and sell timber. Silviculture costs and period costs, such as corporate administrative overhead, are not part of the cost of inventory. Note 1: This was a new measure in 2004/05 replacing the previous "Average cost per cubic metre of volume sold." The change from volume sold to volume developed is to reflect that the majority of costs are incurred during the development of a timber sale rather than later when the sale is sold.							
Results and Variance Explanation Continuous improvement, contract efficiencies and lower development costs associated with timber adjacent to existing roads and mountain pine beetle layout contributed to the savings.							
Data Sources and Issues Data source: Corporate Accounting System.							
Changes to the Measure This measure is tracked internally to the ministry starting in 2006/07 but will continue to be publicly reported by BC Timber Sales.							

Objective 9: Provide opportunities for BC Timber Sales customers to purchase timber in an open and competitive market.

This objective was reworded in the 2006/07 service plan to: "Opportunities are provided for BCTS customers to purchase timber in an open and competitive market."

This objective supports a strong forest economy and competitive forest sector. BC Timber Sales seeks a balance between providing opportunities for customers to purchase timber, generating revenues, and being a credible reference point. BC Timber Sales also ensures safe and sound forest management practices.

Results

BC Timber Sales continues to provide opportunities for customers to purchase timber in an open and competitive market in 2005/06 exceeding its target volume offered by 10.2 per cent.

Strategies

1. Pursuing innovative methods to build timber development capacity and inventory levels;
2. Eliminating restrictions and barriers to program participation over time;
3. Improving bidder information; and
4. Analyzing and addressing reasons for no bid sales.

During 2005/06 BC Timber Sales continued to make progress on these strategies.

In 2005/06 BC Timber Sales developed a 17.7 million cubic metres of timber as inventory for auction — an increase of 2.3 million cubic metres or 15 per cent over the previous year. While the number of timber sales offered that initially received no bids was higher than projected, actions taken as a result of ongoing analyses of reasons for these no bid sales contributed to an overall reduction of no bid sales by 11.4 per cent over the previous year.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Volume offered for sale by BCTS (millions of cubic metres)	n/a	11.2	12.8	14.8	16.3	1.5	✓✓
Selection Rationale The volume offered for sale is the gross total timber volume that BC Timber Sales offers into the market and includes all forms of tenure administered by BC Timber Sales. Therefore, in addition to advertised auction sales, volume offered for sale includes all volume associated with forestry licences to cut, and previously committed volumes for ongoing value-added sales, non-replaceable forest licences, and other forms of tenure. This output measure indicates the program's success in providing opportunities for customers to acquire timber.							
Results and Variance Explanation A higher than projected volume of timber sales offered that received no initial bids resulted in BC Timber Sales offering more timber to the market than planned to achieve its timber volume sold target.							
Data Sources and Issues Data Source: BC Timber Sales Offices.							
Changes to the Measure This measure is tracked internally to the ministry starting in 2006/07 but will continue to be publicly reported by BC Timber Sales.							

Ministry Goal 3: Highly Effective, Innovative and Responsive Organization.

This goal was previously "An effective and responsive forest manager." The goal was reworded in the 2006/07 service plan to more accurately reflect the focus on organizational improvement.

In 2005/06 the ministry continued its revitalization with a new vision and revised mission and values statements that reflect the ministry's role as steward of the province's forest resources. The effectiveness in achieving our core purpose of ensuring that sustainable forest resources deliver sustainable forest and range benefits for the people of British Columbia depend upon expert and knowledgeable staff who will continue to be innovative, responsive and performance-focused. To this end, the ministry focused on knowledge management, succession planning, leadership development, being a learning organization and improving organizational wellness through the Road Ahead initiative.

Three key indicators were established to assess progress towards this goal at the highest outcome level. Two of these focus on public perception of the Forest Service as an effective organization. The third assesses the efficiency of the administration of the Forest Investment Account (FIA). The ministry oversees the effectiveness of third-party administrators who are responsible for the achievement of FIA objectives and strategies. Administration of this program is key to achievement of ministry objectives in four key business areas, and performance targets were achieved as planned in 2005/06.

Although the two public perception indicators were not measured in 2005/06, a workplace employee survey was completed, which provides one outcome of organizational effectiveness and wellness. One key finding from the survey showed that 71 per cent of staff are satisfied with their jobs — a 17 per cent increase over the 54 per cent satisfied in the 2002 survey.

As an overall assessment, the ministry is continuing to improve its organizational wellness, and is moving steadily towards being highly effective, innovative and responsive.

Key Outcome	Indicator	2005/06 Status / Trend
An effective organization	Per cent of British Columbians who agree that the Forest Service can be trusted to protect and manage our public forests	not measured in 2005/06
	Per cent of British Columbians who feel the Forest Service effectively protects and manages our public forests	
	Employee satisfaction with the workplace	good / improving
Effective delivery of Forest Investment activities and outcomes through third party administrators	The achievement of performance targets by the third-party administrators	good / improving

Status is good, fair or poor; Trends are increasing, stable or declining.

Key Outcome Indicators

The following key outcomes and indicators have been identified as measuring progress towards achievement of this goal.

Key Outcome Indicators	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Projection	2005/06 Actual	Variance
Per cent of British Columbians who agree that the Forest Service can be trusted to protect and manage our public forests	60	Measured every 2nd year	52	Not measured this year	N/A	N/A
Per cent of British Columbians who feel the Forest Service effectively protects and manages our public forests.	73		69			
Selection Rationale These indicators were selected as measuring the ultimate outcome of an effective public service organization responsible for protecting and managing public forests. The public trust indicator reflects the percentage of British Columbians who answered that they trust the Forest Service to manage and protect Crown forests for the long term. The effectiveness indicator is based on five variables (forest fire protection, control of pests and disease, reforestation, environmental protection, and regulating forest companies) that were combined for the single measure of overall effectiveness, which was measured as 73 per cent in the 2002/03 survey.						
Results and Variance Explanation Not measured this year. The next survey will be completed in fall 2006.						
Data Sources and Issues These measures are obtained from a telephone survey of 1,000 British Columbians selected through a random sampling methodology. The survey is conducted by BC Stats, every two years.						
Changes to the Measure The per cent of British Columbians who feel the Forest Service effectively protects and manages our public forests, will continue to be reported in the 2006/07 service plan. The public trust indicator will continue to be measured in the survey done by BC Stats, but this information will be tracked internally by the ministry starting in 2006/07.						

Key Outcome Indicator	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Projection	2005/06 Actual	Variance
The achievement of performance targets by the third-party administrators	N/A	N/A	N/A	95	93.8	1.2
Selection Rationale This measures the key outcome of effective administration of the Forest Investment Account (FIA). The percentage is based on the number of performance targets developed by FIA third-party administrators PricewaterhouseCoopers, The Federation of B.C. Woodlot Association, and Forestry Innovation Investment Ltd. that are achieved within 85 per cent.						
Results and Variance Explanation In 2005/06 third-party administrators achieved 30 of 32 performance targets. PwC did not achieve the performance target of an average of five business days from project approval to issuance of payment. An average of 7.8 business days was reported. The difference is largely attributed to delays in meeting administrative obligations on the part of the funding recipients. FII did not achieve the completion of the second phase of the China Dream Home Canada Demonstration Centre due to regulatory approval delays in China. Projects are now fully underway and on-target to be completed by December 2006.						
Data Sources and Issues Based on performance measures reported in annual reports submitted by third party administrators.						
Changes to the Measure This measure is tracked internally to the ministry starting in 2006/07.						

Objective 1: Sound governance and effective and efficient delivery of forest investments to assist government to develop a globally recognized, sustainably managed forest industry.

The intent of this objective was to address the overall administration of the Forest Investment sub-vote and agreements with third-party administrators. In 2006/07, this objective has been moved to a strategy under Objective 8, under Goal 1, as explained in that section.

Strategies

1. Development and implementation of sound business practices incorporating strong financial controls;
2. A performance management framework; and
3. A monitoring, audit and evaluation program.

An overview of the FIA and program governance structures is provided in Appendix A4 Table 1. These structures manage the strategies identified above by taking necessary actions to ensure the effective and efficient delivery of each program. In 2005/06 the governance of the LBIP was strengthened by formalizing the LBIP steering committee to include recipients'

representative of each of the forest regions to assist in providing direction for the program and act as a liaison with the CLUP, and Small Tenures programs. Also in 2005/06 a review of the LBIP, at the request of the ministry, conducted by the Ministry of Finance Internal Audit and Advisory Services was completed. Recommendations have been addressed and will be implemented in 2006/07. A similar review of the Forest Science Program was initiated in 2005/06 and is expected to be completed in 2006/07.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of FIA governance performance measure targets substantially achieved	N/A	N/A	N/A	90	93.3	+3.3	✓
Selection Rationale This measure was introduced in 2005/06 to provide a summary of the achievements under the Forest Investment Account (FIA) seven programs: Land Base Investment, Small Tenures, Tree Improvement, Crown Land Use Planning and Enhancement, Forest Science, Product Development and International Marketing.							
Results and Variance Explanation Total performance measures for all FIA programs is 45. 42 of the 45 performance measures in 2005/06 were substantially achieved.							
Data Sources and Issues FIA program annual reporting by third-party administrators and ministries.							
Changes to the Measure This measure is tracked internally to the ministry starting in 2006/07.							

Objective 2: Ensure a responsive and effective management framework and infrastructure that supports the achievement of ministry goals and objectives.

This objective helps to ensure that the ministry becomes a more effective organization, which is strong, dynamic and adaptable, and focused on achieving its strategic goals.

Strategies

1. Continue to identify, implement and continually improve business practices and processes to increase efficiency and effectiveness.

Work towards this strategy in 2005/06 included:

- Redesign and streamlining of the corporate policy development process.

- Redesign of the contract management and accounts payable processes to increase efficiency after consolidation of service.
- Review of the privacy, information, records and litigation filing process to provide a higher level of client service.
- Redesign and streamlining of the new woodlot licence program business processes; and
- Redesign of fire protection reporting with systems development underway for implementation over the next two years.

In addition, the following projects are building ministry capacity for ongoing continuous improvement projects:

- A continuous improvement toolkit was developed for staff.
 - A continuous improvement module was delivered at the University of Northern British Columbia and Thompson Rivers University to provide continuous improvement training to future MoFR employees.
 - 60 MoFR staff were trained in "learning organization" tools and techniques and a learning organization community of practices was established.
 - An activity-based management process was developed to analyze financial benefits of continuous improvement projects.
 - A high level "mapping the ministry's business" project was undertaken to better document and communicate MoFR business processes for the public and clients.
2. Continue to implement and integrate performance management processes and evaluate the validity of performance measures.

Ministry business area teams completed strategic planning tasks for 2006/07 including review and improvement of objectives, strategies and performance measures using updated logic models. A pilot evaluation of one business area was completed in 2005/06, including recommendation of a methodology for ongoing periodic review of measures. Quarterly reporting of progress towards all published and internal performance measure targets, and linkages between budget allocations and performance measures, were strengthened.

3. Implement policy and legislation frameworks.

The ministry completed its review of the corporate policy and legislation processes and the redesigned processes have been implemented as of April 2006.

4. Implement a risk management framework that will enhance strategic and operational planning.

Ministry business area teams, as part of their strategic planning tasks, completed analysis of risk to achieving corporate objectives. This included identifying risks, rating likelihood and consequences, reviewing existing controls and recommending mitigation strategies, as part of the budgeting process. The framework is now substantially in place to inform ministry annual planning and decision making.

5. Continue to implement and evaluate the ministry's Road Ahead (Human Resources) Strategy (succession planning, retention, leadership, organizational wellness).

The ministry entered its second year of a three-year plan in July 2005. To evaluate the human resources strategy, the ministry conducted a staff survey in June 2005 to establish benchmarks for progress. the survey measured employee satisfaction in the four key areas: leadership; workplace wellness; learning organization and workforce planning, as well as conducting a "values audit" section where employees could comment on whether they felt the organization was living its values. One key finding was that in a 2002 workplace employee survey just over one-half (54 per cent) of those surveyed were satisfied with their jobs in the ministry while in 2005, almost three-quarters (71 per cent) reported being satisfied, representing a 17 per cent increase in satisfaction between 2002 and 2005.

Performance Measures

Performance measures of achievement towards this objective are tracked internally to the Ministry.

Objective 3: To be a high performing and learning organization.

This objective helps to ensure that the ministry becomes a more effective organization, which is strong, dynamic and adaptable, and focused on achieving its strategic goals.

This objective was combined with Objective 2 above for the 2006/07 service plan. It had been highlighted in 2005/06 as the ministry focused on a "Road Ahead" initiative (described in strategies), which is now becoming part of the way the ministry does business. Reflecting this, the objective has also become a part of the ministry's mission statement.

Strategies

1. To continue building an innovative and even higher performing organization that focuses on both business and people performance, the ministry will fully implement the Road Ahead initiative that focuses on: mandate — vision, mission and values; stewardship; leadership development; learning organization; workforce planning; and organizational wellness.

The ministry continues to make significant progress on strategies supporting the Road Ahead. To ensure integration into the day-to-day operations of the organization, the ministry has created "Partners in Performance," a review tool that will be implemented in fiscal 2006/07. Partners in Performance formalizes an approach through which ministry staff can share best practices and learn from each other. It focuses on our people, our culture, and our business. Partners in Performance will ensure that the people side of the ministry and its culture supports the overall objective for being a high performing organization.

Performance Measures

Performance measures of achievement towards this objective are tracked internally to the ministry.

Deregulation and Regulatory Reform

The Ministry of Forests and Range continued to review its legislation to look for further regulation reduction and reform opportunities. In 2005/06, the ministry exceeded its commitment to maintain its June 2004 baseline, by decreasing regulatory requirements by more than 10 per cent.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance	Target Met?
Maintain regulatory requirements at June 2004 baseline.	8,551	9,124	9,124 (June 2004 baseline)	9,124 (0% increase to regulatory burden)	8145	- 10.73%	✓✓
Selection Rationale							
This measure is mandated by the Regulatory Reform Office to track Government's Regulatory Reform initiatives.							
Results and Variance Explanation							
Regulatory requirements in 2005/06 decreased by 10.73 per cent. This reduction exceeded the 0 per cent increase target.							
Data Sources and Issues							
Number of regulatory requirements in statutes, regulations and policies are counted by prescribed method set out by the Regulatory Reform Office. The regulatory count in the Ministry of Forests and Range is undertaken by the legislation section of the Strategic Policy and Planning Branch.							
Changes to the Measure							
While this objective will continue to be tracked by the ministry it will not be tracked as a formal performance measure in future service plans.							

Report on Resources

The Ministry of Forests and Range underspent approximately \$45 million in 2005/06 against adjusted estimates of \$662.344 million. Contributing factors were: a below average fire season, and delays in finalizing an agreement with the federal government for the South Moresby Forest Replacement Account.

Funding for the ministry is provided in the Ministry Operations Vote and the Direct Fire Vote of the legislature and three special accounts (BC Timber Sales, the Forest Stand Management Fund (FSMF) and the South Moresby Forest Replacement Account (SMFRA)). The SMFRA expenditures are overseen by a joint federal-provincial management committee. Forest Investment expenditures are overseen by a Forest Investment Council.

In 2005/06 additional funding was made available through a contingency vote of the legislature to address Nisg'a land reforestation obligations.

Ministry Goal	Core Business	Funding Source (Vote or Special Account)
1. Sustainable Forest and Range Resources	• Protection Against Fire and Pests	• Direct Fire Vote • Ministry Operations Vote
	• Forest Stewardship	• Ministry Operations Vote • FSMF (special account) • SMFRA (special account) • Contingency Vote (Nisg'a land reforestation)
	• Range Stewardship and Grazing	• Ministry Operations Vote
	• Compliance and Enforcement	
	• Forest Investment	
2. Sustainable Forest and Range Benefits	• Pricing and Selling Timber	• Ministry Operations Vote
	• BC Timber Sales	• BC Timber Sales (special account)
3. Highly Effective Innovative and Responsive Organization	• Executive and Support Services	• Ministry Operations Vote

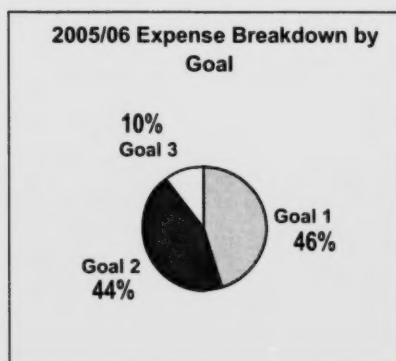
Resource Summary Table 2005/06

Core Business Area	Estimated ¹	Other Authorizations ²	Total Estimated	Actual 2005/06	Variance
Operating Expenses (\$000)					
Protection Against Fire and Pests	127,438	1,370	128,808	117,438	(11,370)
Forest Stewardship	84,440	3,000	87,440	51,845	(35,595)
Nisg'a lands reforestation obligations (Contingency vote).....	0	5,650	5,650	5,650	0
Range Stewardship and Grazing	4,919	0	4,919	4,733	(186)
Compliance and Enforcement	25,609	0	25,609	24,298	(1,311)
Forest Investment	89,000	0	89,000	84,059	(4,941)
Pricing and Selling Timber	119,576	1,490	121,066	114,042	(7,024)
Interest owed on revenue refunds (non-Vote)	0	1	1	1	0
Executive and Support Services	48,542	2,402	50,944	66,513	15,569
BC Timber Sales	148,395	512	148,907	148,907	0
Total	647,919	14,425	662,344	617,486	(44,858)
Full-time Equivalents (FTEs)					
Protection Against Fire and Pests	684	0	684	676	(8)
Forest Stewardship	313	0	313	368	55
Range Stewardship and Grazing	44	0	44	42	(2)
Compliance and Enforcement	292	0	292	285	(7)
Forest Investment	57	0	57	57	0
Pricing and Selling Timber	733	0	733	691	(42)
Executive and Support Services	527	0	527	560	33
BC Timber Sales	574	0	574	559	(15)
Total	3,224	0	3,224	3,238	14

Core Business Area	Estimated ¹	Other Authorizations ²	Total Estimated	Actual 2005/06	Variance
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)					
Protection Against Fire and Pests	3,360	0	3,360	8,837	5,477
Forest Stewardship	5,023	0	5,023	1,555	(3,468)
Range Stewardship and Grazing	6	0	6	0	(6)
Compliance and Enforcement	1,911	0	1,911	50	(1,861)
Forest Investment	0	0	0	0	0
Pricing and Selling Timber	3,848	0	3,848	838	(3,010)
Executive and Support Services	7,698	0	7,698	10,089	2,391
BC Timber Sales	990	0	990	193	(797)
Total	22,836	0	22,836	21,562	(1,274)
Other Financing Transactions (\$000)					
BCTS — Disbursements	83,798	0	83,798	52,342	31,456
Total Receipts	0	0	0	0	0
Total Disbursements	83,798	0	83,798	52,342	31,456
Total Net Cash Source (Requirements)	0	0	0	0	0

¹ These amounts have been restated, for comparative purposes only, to be consistent with the presentation of the 2006/07 Estimates. Schedule A of the Estimates, presents a detailed reconciliation.

² "Other Authorizations" include Supplementary Estimates, Statutory Appropriations and Contingencies.



Goal 1 - Sustainable Forest and Range Resources

Goal 2 - Sustainable Forest and Range Benefits

Goal 3 - A Highly Effective, Innovative and Responsive Organization

Appendices (Part A)

Appendix A1: Mountain Pine Beetle Action Plan Report.

Mitigating the impacts of the mountain pine beetle infestation goes well beyond forestry-related activities or the scope of any one ministry. This prompted the development of a comprehensive annually updated five-year Mountain Pine Beetle Action Plan that provides a broader, longer-term approach involving all appropriate government ministries. In 2005/06 the federal government contributed \$100 million to be utilized over three years to assist the province in implementing the five-year action plan components that are of federal interest. Other components are being supported by the province or through licence agreements with industry. Those initiatives are included in other areas of this service plan.

The federal funding provided in 2005 addresses strategies that support six of the seven objectives of the action plan aimed at mitigating the social, economic and environmental consequences of the mountain pine beetle infestation now and in the future. These are:

1. Ensuring long-term economic stability for communities;
2. Maintaining and protecting public health, safety and infrastructure;
3. Recovering the greatest value from dead timber before it burns or decays, while respecting other forest values;
5. Preventing or reduce damage to forests in areas that are susceptible but not yet experiencing epidemic infestations;
6. Restoring the forest resources in areas affected by the epidemic; and
7. Effective overall coordination and management of the Action Plan.

Objective 4, to conserve the long-term forest values identified in land-use plans, has not received federal funding.

Objective 1: Encourage long-term economic sustainability for communities affected by the mountain pine beetle epidemic.

This objective is to encourage long-term economic sustainability for communities affected by the mountain pine beetle epidemic by supporting the development and implementation of strategic regional business plans for forest-dependent communities and First Nations within the affected areas.

For the next several years the primary focus will be working with impacted First Nations and communities to determine the probable socio-economic impacts of the mountain pine beetle epidemic and to support the creation of locally-developed mitigation strategies. These planning efforts will require multi-year financial support. During 2005/06 the First Nations Mountain Pine Beetle Working Group and two regional Beetle Action Coalitions were created and received funding support.

Program: Community Diversification and Stability.

Strategy

1. Supporting development of community economic planning included work to explore possibilities for economic diversification, economic pre-feasibility analysis on opportunities, investment recruitment, business retention, community marketing and general economic research.

During 2005/06 financial assistance was provided to the First Nations Mountain Pine Beetle Working Group, the Cariboo-Chilcotin Beetle Action Coalition (CCBAC) and the Omineca Beetle Action Coalition (OBAC) for the preparation of related studies and mitigation strategies. The First Nations working group created a mountain pine beetle action plan in September 2005 to guide their strategies with the intent of merging their action plan with the provincial Mountain Pine Beetle Action Plan in 2007/2008.

Performance Indicator

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Number of regional community associations economic diversification plans established for MPB mitigation	1	0	-1	x
Selection Rationale A measure of the number of First Nations and regional coalitions that have taken the opportunity to develop economic diversification strategies that will mitigate the negative economic impacts of the mountain pine beetle infestation.				
Results and Variance Explanation Completion of the actual economic diversification plans may take until 2007/08 which although is in keeping with the Mountain Pine Beetle Action Plan, it is longer than originally intended in the target for this measure. This measure has therefore been revised for 2006/07 (see changes to the measure below).				
Data Sources and Issues Funding recipients will report outcomes as part of their funding agreement.				
Changes to the Measure This performance indicator has been changed for the 2006/07 service plan. In 2005/06 the measure represented the number of community socio-economic adjustments plans expected to be completed by the end of the year. This measure and target was set before it was clear how the community action coalition process would progress. Since the community action coalitions will produce a business plan to initiate the process, and the social-economic plan may take longer than one year to develop, it has been decided to track business plans as most representative of the annual outputs expected from the program.				

Program: Natural Range Barrier Mitigation.

This program seeks to mitigate the impact of the mountain pine beetle on breach of natural range barriers by replacing barriers, controlling livestock distribution and protecting environmental rangeland values in affected communities.

Strategy

1. Replacing natural range barriers and range developments lost or damaged during timber harvesting and associated road construction (not associated with forest licensee responsibilities under the *Forest Range and Practices Act*).

Natural range barriers have been inventoried and mapped in six priority forest districts which have had the greatest impact from salvage logging. Information is being used by ranchers and forest licensees in planning processes and projects have been prioritized for construction in spring 2006. The development of a long-term strategic plan has begun in cooperation with the B.C. Cattlemen's Association.

Performance Indicator

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Animal Unit Months (AUMs) of forage protected from loss due to MPB impacts	24,000	0	-24,000	x
Selection Rationale AUMs of forage authorized measures how well the ministry is maintaining the production and utilization of forage in areas affected by the mountain pine beetle infestation.				
Variance Explanation While no projects were able to be constructed prior to winter, all of the planning/referral processes have been completed and projects are scheduled for construction in spring of 2006.				
Data Sources and Issues: MoFR, Range Branch.				
Changes to the Measure None.				

Objective 2: Maintain and protect public health, safety and infrastructure.

This objective reflects the ministry's intent to maintain and protect public health, safety and infrastructure by reducing catastrophic wildfire risk to communities within mountain pine beetle affected areas.

Program: Fuel Management.

Strategy

1. Conduct treatments to reduce combustible fuels within the hazardous interface areas surrounding communities affected by mountain pine beetle to reduce the risk of ignition and mitigate the potential impacts of wildfire.

The Provincial Fuel Management Strategy has identified 460 000 hectares as potentially needing treatment due to the presence of mature pine and proximity to communities. Ten per cent of this is adjacent to First Nations reserve lands. Partnerships have been established to deliver fuel treatments with communities. The Union of British Columbia Municipalities (UBCM) and First Nations Emergency Services Society (FNESS) will be facilitating treatments for local governments and First Nations.

Performance Indicator

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Hectares treated for fuel management to protect interface areas impacted by MPB	6,000	2,278	-3,722	x
Selection Rationale This measures the ministry's success in reducing fuel loads through prescribed burning, slash removal on old harvesting sites, planning and integration with other fuel management activities and removal of mountain pine beetle-affected stands.				
Results and Variance Explanation Funding for fuel management was finalized in November and the fuel management program was announced by UBCM in early December. The development of a Community Wildfire Protection Plan (see report under goal 1, objective 1) is critical for effective fire management planning and includes the identification of fuel treatment priorities for a community. Based on these plans, preliminary treatment projects have begun for a number of communities including Logan Lake, Prince George, Merritt, Cranbrook, and Houston. MoFR has worked with FNESS to develop a First Nations fuel management program, and staffing for this was completed in January 2006. The development of a community wildfire protection plan program for First Nations has just been initiated by FNESS.				
Data Sources and Issues Community agreement recipients will report achievements through the program's third-party delivery agents who will report summary achievements to MoFR on a quarterly basis.				
Changes to the Measure None.				

Objective 3: Recover the greatest value from dead stands impacted by the mountain pine beetle, while respecting other forest values.

This objective reflects the ministry's intent to recover the greatest value from impacted stands. The federal funding is focused on ensuring that market access and manufacturing problems are not the limiting factor to a successful long-term salvage program.

Program: Research and Development — Wood Products.

Strategies

1. Solving immediate manufacturing problems as quickly as possible to improve the profitability of the dead dry wood; and
2. Developing new products and markets for the material.

Results

During 2005/06, FII supported research and development of new products and processes which in some cases will help to solve manufacturing problems:

- Product testing and market research for railway ties in China.
- The use of borates for use in interior construction applications in termite prone regions. Further work is planned with the Canadian Wood Council to explore commercial opportunities in the U.S.
- University of British Columbia has developed and proven technology to produce a new surface bleached lumber, masking the blue staining caused by the mountain pine beetle.
- University of British Columbia, in partnership with industry, has developed a way to condition grey-attacked logs that significantly increases moisture content overcoming a key issue in commercializing the use of pine for OSB production.

Performance Indicator

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Number of new products/applications for MPB timber identified and introduced to markets	3	4	1	✓✓
Selection Rationale				
Identifying new products will help establish the profitability and value of salvage cutting rights.				
Results and Variance Explanation				
This measure was overachieved due to more interest in the area of research than anticipated.				
Data Sources and Issues				
FII Ltd. reports this data to MoFR quarterly and annually.				
Changes to the Measure				
None.				

Objective 4: Conserve the long-term forest values identified in land-use plans.

This objective reflects the ministry's intent to ensure that all resource values are considered in mountain pine beetle management practices in a manner consistent with existing or revised land use plans. This is primarily a planning, licensing and tenure administration initiative. Federal resources have not been directed to this area.

Objective 5: Preventing or reduce damage to forests in areas that are susceptible but not yet experiencing epidemic infestations.

Actions to control infestations will be taken to prevent or reduce damage to forests in areas that are susceptible to but not yet experiencing epidemic infestations. A primary focus is minimizing/eliminating the potential for the infestation to spread into Alberta and beyond to the boreal forests of northern Canada. Funding sources supporting aspects of this objective are the Ministry of Forests and Range, federal funding, Alberta Sustainable Resource Development, the Forest Investment Account — Land Base Investment Program, and Alberta licensee funds.

Program: Spread Control.

Strategy

1. Conducting aerial and ground surveys, spot treatments, prescribed burns and incremental costs for strategic harvesting, such as access improvement planning, to destroy the beetles before they emerge and spread.

Significant progress was made towards this strategy commencing with aerial surveys conducted by the ministry in summer and fall 2005. Critical pathways for mountain pine beetle spread were identified as special management zones for concentrated efforts of ground surveys and treatments. The identified areas were treated as top priority areas throughout 2005/06 with effective treatments. Moving further west from these special management areas were areas of beetle infestation and in decreasing rank of priority given increased distance from the B.C.-Alberta border. These infestations were treated where funding was available. The focus over the next two years will be to continue concentrated efforts in the highest priority areas closest to the Alberta border while seeking opportunities through single tree treatments and harvesting to decrease the immigration of bark beetles from adjacent infestations.

Performance Indicator

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Hectares treated through single tree treatments to control rate of spread of MPB	5,000	6,050	1,050	✓✓

Selection Rationale
Efforts to limit the spread of the beetle are concentrated on the four forest districts on the eastern edge of B.C. Single tree treatments are being used to prevent the spread of the beetle beyond B.C.'s borders.
Results and Variance Explanation
The 5,000 target was over-achieved.
Data Sources and Issues
Data for this measure will be from licensees and third-party delivery agents under agreement to carry out these treatments.
Changes to the Measure
None.

Program: Parks and Protected Areas mountain pine beetle control.

Strategy

1. Managing infestation within parks and protected areas on a priority basis through fuel management, spread control using controlled burns, and restoration within parks.
Working closely with the Ministry of Environment — B.C. Parks division, single tree treatments were conducted in parks bordering Alberta and within critical pathways for beetle spread toward the border.

Performance Indicator

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Per cent of at risk sites treated in parks and protected areas to mitigate impacts of the mountain pine beetle infestation	19	22	+3	✓✓
Selection Rationale	This is a measure of the areas that will receive required treatments on a priority basis, to address public safety from falling snags and fire, fall and burn and fall and removal treatments.			
Results and Variance Explanation	The target was slightly over-achieved.			
Data Sources and Issues	MOE, through regional coordinators and internal tracking mechanisms.			
Changes to the Measure	None.			

Objective 6: Restore the forest resource in areas affected by the Mountain Pine Beetle Epidemic.

This objective includes a variety of initiatives focused on restoring the damaged forest and associated environmental values. It includes programs fundamental to the restoration work and is highly integrated with the activities of other funding sources and ministry initiatives such as the Forests for Tomorrow program.

Program: Inventory.

To provide planning information on the spread of the beetle to support the spread control, salvage and follow-up mitigation/restoration programs.

Strategy

1. Ensuring that the various mitigation initiatives have the required land, inventory and mapping information they need to succeed.

Performance Indicator

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Number of map sheets imaged of area susceptible to mountain pine beetle infestation	300	939	+639	✓✓
Selection Rationale				
This new measure indicates the maps and imagery that will be generated to show current locations of mountain pine beetle.				
Results and Variance Explanation				
The substantial overachievement is attributed to having access to Forests for Tomorrow and Forest Investment Account (FIA) funded photography and ortho-photos that were not accounted for in the published target.				
Data Sources and Issues				
Internal ministry tracking.				
Changes to the Measure				
None.				

Program: Bio-Physical Research.

To supplement applied research efforts that provide related information for policy evolution and for resource planning and treatment decision making.

Strategy

1. Providing credible and relevant scientific knowledge to support the conservation of long-term forest values identified in land use plans and restoration of forest resources in areas affected by the epidemic.

Performance Indicator

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Number of research products or extension events for priority mountain pine beetle issues	25	31	+6	✓✓
Selection Rationale This new measure indicates the number of research products and extension events that provide related information for policy evolution and for resource planning and decision making in the areas of reforestation and restoration in riparian zones, forest productivity restoration (e.g., erosion mitigation), maintenance of biodiversity (including species at risk, anadromous fish, non-timber forest products, coarse woody debris, critical wildlife habitat structures); silviculture options and improving timber growth and value, and maintenance of watershed and hydrologic functioning. Reports may include extension notes, technical reports, brochures, workshop presentations, workshop or conference proceedings; training packages, posters, manuals and handouts; field handbooks or guides, field forms, cards, survey and evaluation procedures, web pages/major website updates or models and model updates. Events include forest science courses, demonstrations, presentations, workshops, training, field trips or tours, Internet based extension and any other event which conveys research findings to 10 or more people from the same organization, or to meetings/extension events with two or more other organizations/agencies.				
Results and Variance Explanation A total of 31 research products and extension events were reported, six over the target. Targets were set conservatively in 2005/06, taking into account that this was a new program. Start-up was more timely than anticipated. Eight products or extension events were delivered by the ministry, including workshops at UBC and UNBC. Twenty-three products and extension events were delivered through PricewaterhouseCoopers LLP in 2005/06.				
Data Sources and Issues Ministry Research Branch and the program third-party delivery agent report results to the ministry's bio-physical research co-ordinator.				
Changes to the Measure None.				

Program: Ecosystem Restoration.

To assess and mitigate the environmental effects on fish, water quality, endangered species and biodiversity (delivered under agreement with and by the Ministry of Environment).

Strategy

1. Addressing mountain pine beetle impacts through planning, surveys and treatments for terrestrial and aquatic species and habitat restoration, water quality/quantity and other non-timber objectives.

Performance Indicator

Performance Measure	2005/06 Target	2005/06 Actual	Variance	Target Met?
Number of watersheds treated for ecosystem restoration as required as a result of mountain pine beetle	1	1	0	✓
Selection Rationale Specific target watersheds and/or locations in B.C. are being identified for the treatments addressed by this new measure. Treatments include: mitigation options for species-at-risk; treatments in unharvested areas (e.g., old growth, protected areas, riparian areas); modification of habitat, including the use of silviculture techniques; and, treatments that improve fish passage and water quality.				
Results and Variance Explanation The target was achieved as planned.				
Data Sources and Issues The delivery agent for MOE, reports quarterly to MoFR.				
Changes to the Measure None.				

Objective 7: Coordinated and effective planning and implementation in support of all programs.

This objective is achieved through planning and management that supports the overall program. All funding sources and program areas support aspects of this objective.

Appendix A2: List of Legislation Administered by the Ministry.

The main statutes for which the Forest Service has responsibility are as follows:

Forest and Range Practices Act

The *Forest and Range Practices Act* and its regulations enable forest and range licensees to operate under a results-based regime for forest and range practices. Over the past year, under the transition scheme, licensees have had the option of operating under the *Forest Practices Code* or the *Forest and Range Practices Act*. As of December 31, 2006 licensees will no longer have this option as transition to FRPA will be complete. The new results-based regime will promote innovation and reduce red tape while upholding environmental standards.

Both forest and range practices regimes enable the Forest Service to:

- establish stewardship standards for forest and range practices;
- ensure that the legislated requirements for sustainable forest and range practices are followed;
- meet the requirements for resource objectives established through land use planning; and
- carry out compliance and enforcement activities to ensure stewardship standards are met.

Forest Act

The *Forest Act* provides the Forest Service with the authority to:

- determine an allowable annual cut for Crown land in each timber supply area and for each tree farm licence area, woodlot licence area and community forest agreement area;
- enter into and administer agreements that authorize timber harvesting, including agreements that are awarded through auction by B.C. Timber Sales and used to support the market based pricing system;
- require payments to the government for Crown timber;
- establish requirements for timber marking and scaling, and to regulate marine log salvage;
- require Crown timber, and specified private timber, to be used or manufactured in the province unless exempted by an order in council;
- enter into road permits and road use permits for access to Crown timber, and to build and administer forest service roads; and
- establish designated areas to protect forest land from development pending land use decisions.

Ministry of Forests and Range Act

The *Ministry of Forests and Range Act* provides the Forest Service with a broad and general mandate to:

- encourage maximum resource productivity;
- manage resources responsibly to achieve the greatest short- and long-term social benefits;
- practice planned, integrated resource management and use;
- encourage a globally competitive timber processing industry and ranching sector; and
- assert the financial interest of the government.

Range Act

The *Range Act* authorizes the Forest Service to:

- allocate and administer the use of range resources by the livestock industry through grazing and hay cutting agreements that provide revenue to the government;
- issue agreements to First Nations for treaty-related purposes or interim measures;
- protect Crown range resources through restrictions of use when conditions such as drought could result in damage to the range; and
- temporarily increase the amount of forage allocated to range agreements when growing conditions are favourable.

Wildfire Act

The *Wildfire Act* consolidates the fire control responsibilities of the Forest Service and clearly defines the responsibilities of all users of the forest and range with respect to fire. The Act and its regulation are results-based and provide operational flexibility for industrial users. The Act follows through on recommendations from the Firestorm 2003 Provincial Review to strengthen wildfire prevention and suppression for the safety and security of communities in British Columbia. The Act ensures that government has the authority to fight any fire that threatens forest and range resources, and to restrict access, limit operations and requisition equipment and personnel in the event of significant fire activity.

Forestry Revitalization Act

The *Forestry Revitalization Act* is an integral part of government's forestry revitalization plan. The plan will open up opportunities in both forest management and wood processing sectors and create a more diversified and innovative forest sector.

The Act enables the government to take back 20 per cent of the long-term replaceable logging rights from major licensees to be reallocated to BC Timber Sales, communities, First Nations, woodlot owners and entrepreneurs. As a result of these and other changes, up to 45 per cent of the province's total harvest will eventually be available through the open market. The Act also sets aside funding for the transition to the new, stronger forest economy. Forest workers and contractors will have access to a trust fund for transition assistance. As well, the Act provides compensation to forest companies for the legal harvesting rights removed from their allowable annual cuts.

Forest Practices Code of British Columbia Act

Much of the *Forest Practices Code of British Columbia Act* has been repealed as a result of the implementation of the *Forest and Range Practices Act* and the *Wildfire Act*. The remaining provisions of the *Forest Practices Code of British Columbia Act* relate to the:

- issuance of special use permits to permit the use and occupation of Crown land for forestry purposes; and
- continuation of the Forest Appeals Commission, and its operation.

Appendix A3: List of Crowns, Agencies, Boards and Commissions.

Service Delivery Crown Corporations:

- Forestry Innovation Investment Ltd.
- *FII Consulting (Shanghai) Company Ltd.*¹

Commissions and Boards:

- Forest Appeals Commission
- Forest Practices Board
- Timber Export Advisory Committee

¹ Subsidiary corporation.

Appendix A4: Forest Investment Account.

Forest Investment Account Overview

The Forest Investment Account (FIA) is a forest-sector investment model led by government, established to deliver the provincial government's forest investment in an accountable, efficient manner and to assist government in its role of supporting a globally recognized, sustainably managed forest industry. Investment dollars have been directed to activities on public land — enhanced forestry, watershed restoration and resource inventories — and marketing and research that supports sustainable forest management and increased allowable annual cuts. Specific amounts have been dedicated to program elements at the provincial level, other amounts have been allocated for disbursement to tree farm licence holders and certain types of tenure holders in each timber supply area.

Forest Investment Account Goals

Goal 1: Actively foster sustainable forest management

Goal 2: Improve the public forest asset base

Goal 3: Promote greater returns from the utilization of public timber

Forest Investment Account Organizational Overview

The Forest Investment Account comprises the following programs:

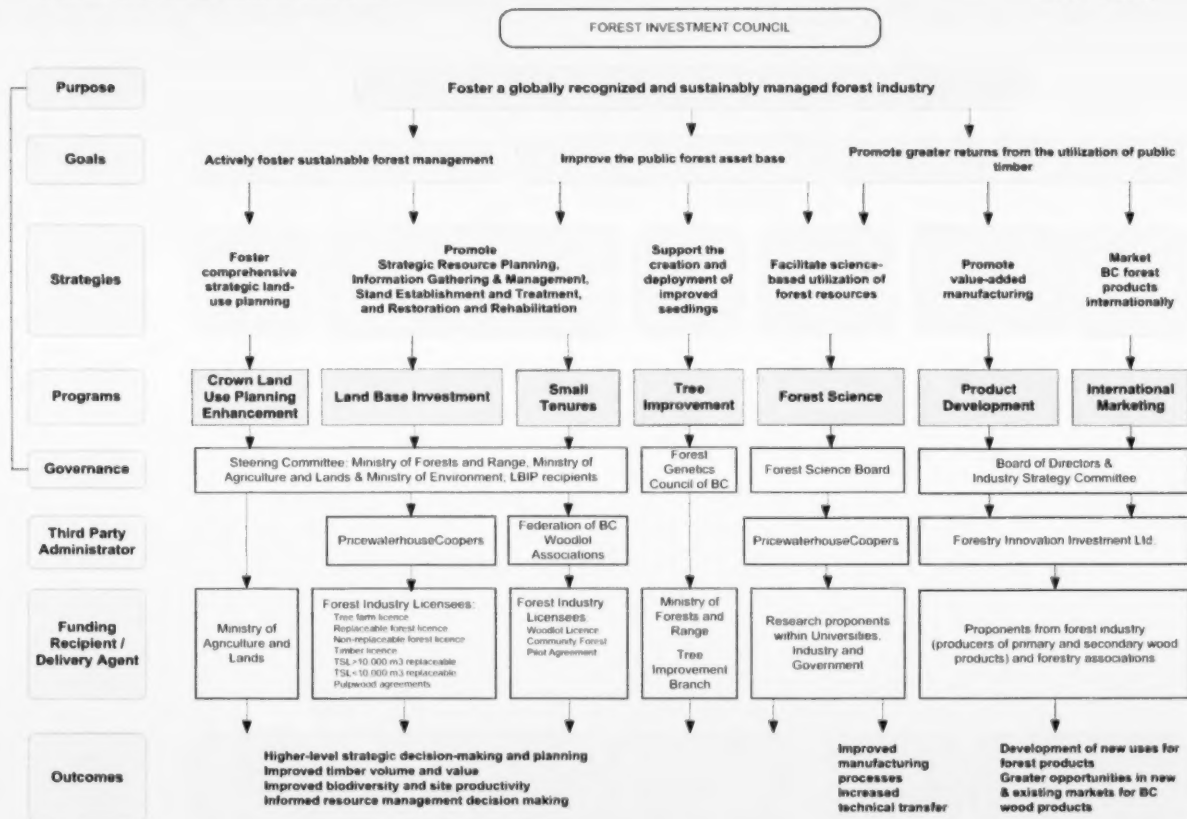
- Land Base Investment Program (LBIP)
- Small Tenures Program
- Crown Land Use Planning Enhancement (CLUPE) Program
- Tree Improvement Program
- Forest Science Program
- Product Development, and International Marketing Programs

The Minister of Forests and Range has decision-making authority for FIA and the Deputy Minister of Forests and Range chairs a Forest Investment Council that periodically reviews and makes recommendations on all FIA programs. The Council includes the Deputy Ministers of the Ministry of Environment (MOE) and the Ministry of Agriculture and Lands (MAL), three licensee representatives, and one representative from the forest research and technology sector. The Council receives progress reports from program administrators and is responsible for determining whether guidance or restrictions are necessary to ensure that investment choices provide the greatest contribution to the achievement of FIA goals. FIA programs are administered by government or by third parties acting on behalf of government (see Figure 1).

Figure 1: Forest Investment Account Overview

Forest Investment Model

2006 - 2007



Administration of most FIA activities is provided by private-sector firms rather than by government staff. PricewaterhouseCoopers (PwC) provides day-to-day administration for the LBIP and the Forest Science Program, and FII does the same for the product development, and international marketing programs. The Federation of B.C. Woodlot Associations (FBCWA) administers the Small Tenures Program.

PwC, FII and the FBCWA ensure that proposed activities meet eligibility criteria for FIA funding and constitute an optimum mix of expenditures to promote program objectives. They also provide funds to successful proponents, track project delivery, and are responsible for performance and financial auditing.

FII was incorporated on March 31, 2003, under the *Company Act* of British Columbia. The Province of British Columbia, as represented by the Minister of Forests and Range, is the sole shareholder of the company. The company is managed through a Board of Directors made up of the Deputy Ministers of Forests and Range, Finance, and Economic Development, as well as the FII President and Chief Executive Officer. Each program operates within the goals and program objectives developed as part of the FII Service Plan.

The annual service plan prepared by FII summarizes progress in meeting performance targets laid out in the FII service plan at the beginning of each fiscal year. The FII 2005/06 Annual Service Plan reporting of key accomplishments for the International Marketing and Product Development Programs is available at <http://www.gov.bc.ca/cas/popt/> or <http://www.bcfii.ca>.

Highlights and key accomplishments are reported in this Appendix for the LBIP, the Small Tenures Program, CLUPE, the Tree Improvement Program and the Forest Science Program.

Forest Investment Account Budgets and Actuals

Forest Investment Account			
	Budget	Actual	Variance
2005/06 Program Investments (\$000)			
Land Base Investment Program.....	48,801	44,404	4,397
Small Tenures Program.....	931	778	153
Crown Land Use Planning Enhancement Program.....	2,545	2,545	0
Tree Improvement Program.....	4,790	4,663	127
Forest Science Program.....	10,483	10,120	363
International Marketing and Product Development.....	21,450	19,840	1,610
Total — Program Expenditures.....	89,000	82,350	6,650
Accrual (not realized).....	N/A	1,658	(1,658)
Total — Public Account Expenditure.....	89,000	84,008	4,992
2005/06 Full-time Equivalents (FTEs)			
Total.....	57	57	0

Variances in FIA expenditures are mainly attributed to unforeseen factors that restrict the ability of recipients of FIA funding to complete planned projects. These include bad weather conditions and contractor availability and capacity. As well, since there is no allowance for over-expenditure of allocations within FIA programs, a conservative approach to managing allocations is done by the majority of recipients, particularly in the LBIP, resulting in under-expenditures at fiscal year end. In 2006/07 more rigorous and frequent reviews of financial progress and priority requirements will be implemented to minimize fiscal year end expenditure variances.

2005/06 Program Highlights and Key Accomplishments

Land Base Investment Program

The Land Base Investment Program (LBIP) provides funding to forest companies to plan and deliver land base investments that foster sustainable forest management and improve the public forest land base in British Columbia. The Ministries of Forests and Range, Environment, and Agriculture and Lands establish resource objectives, maintain a roster of eligible activities and provincial standards, and manage deliverables generated through LBIP projects.

Investments in the LBIP contribute to the FIA goal of actively fostering sustainable forest management and improving the public forest asset base by:

- acquiring and providing access to science-based information about forest resources;
- improving the modeling of forest dynamics;
- monitoring changes to forest resources;
- supporting the creation of sustainable forest management plans;
- ensuring that forests have sustained value production; and
- restoring and enhancing site productivity, recreation features, and damaged ecosystems.

For 2005/06, a portion of LBIP funding was targeted for activities administered by the Ministry of Forests and Range. These activities included mountain pine beetle control in protected areas and parks, invasive plant treatments and invasive plant bio-control development, and forest health pest and disease treatments.

2005/06 Program Investments (\$000)			
Land Base Investment Program			
	Budget	Actual	Variance
LBIP Component Areas			
Information Gathering and Management	N/A	12,500	N/A
Stand Establishment and Treatment	N/A	5,555	N/A
Restoration and Rehabilitation	N/A	2,778	N/A
Strategic Resource Planning	N/A	2,719	N/A
Infrastructure	N/A	494	N/A
Gene Resource Management	N/A	30	N/A
Training and Extension	N/A	61	N/A
LBIP Component Areas Total	25,500	24,137	1,363
Forest Health Activities (Mountain Pine Beetle)	2,332	2,256	76
Timber Supply Reviews	975	211	764
TOTAL	28,807	26,604	2,203
PWC Administration and Audit	1,990	1,990	0
Standards, Data Management and Technical Support	9,356	8,424	932
Mountain Pine Beetle control	4,810	3,850	960
Invasive Plants	1,155	1,172	(17)
Resource Data Cleanup	911	868	43
Forest Health Pest and Disease treatments	1,772	1,496	276
Total — Program Expenditure	48,801	44,404	4,397
Accrual (not realized)		1,658	(1,658)
Total — Public Account Expenditure	48,801	46,062	2,739

Key Accomplishments:*Acquiring and providing access to science based information about forest resources*

- Acquired updated and new resource information towards improved land use planning and decision-making from a combined total of 61.3 million hectares. This includes an increase in the amount of provincial Crown land area where information relating to terrain stability, terrestrial ecosystem mapping, vegetation resource inventory, predictive ecosystem mapping, archaeology, biodiversity, wildlife, and fish has been enhanced.
- Completed and released three Timber Supply Area (TSA) Allowable Annual Cut determinations; initiated new timber supply reviews in two TSAs; and made substantial progress towards completing timber supply reviews in four TSAs.

Improving the modeling of forest dynamics

- Re-measured or established 391 growth and yield plots. This information contributes towards estimating future volume and quality of timber yields from our forests; updates forest inventories; provides input for forest management planning; evaluates enhanced stand management opportunities; and assesses the impacts of pests and fire on timber yield.
- *Monitoring changes to forest resources*
- Monitored 83 sites for long-term studies relating to aquatic and terrestrial values, including water quality, deer, northern goshawks, marbled murrelets and other indicators.

Supporting the creation of sustainable forest management plans

- Completed 65 projects related to the development of key indicators and public advisory groups/consultation processes, including the update or creation of sustainable forest management plans based on this information. This work contributed to the foundation for achieving sustainable forest management by setting goals, indicators and targets for defined forest areas.

Ensuring that forests have sustained value production

- Carried out 6797 hectares of treatments and surveyed 12 235 hectares. Activities funded include improved incremental silviculture treatments and reforestation of backlog areas (areas denuded prior to October 1, 1987). The investment in these treatments contributes to making stands available for harvest sooner, increasing merchantable volume and growing higher quality second growth stands.
- Completed 1.8 million hectares of aerial surveys, 80 999 hectares of ground surveys and 11,068 single tree treatments for bark beetle management in suppression beetle management units.

Restoring, and enhancing site productivity, recreation features, and damaged ecosystems

- 83 forest recreation sites and 356 kilometres of forest recreation trails were maintained or established to provide user safety, provide sanitary conditions, protect the environment, provide user access and convenience, and protect investment in infrastructure.
- Permanent road deactivation, landslide and gully rehabilitation and assessments were carried out on 4692 km of non-status forest roads, thereby reducing the risk of environmental and economic damage to resources within and adjacent to the road location from landslides and other environmental hazards.
- 41 sites were assessed, prescribed and works completed on instream structures. Additional 85 sites were reviewed for fish passage concerns and structures removed/replaced as necessary to re-establish upstream habitat access for salmon and other local fish species.

Small Tenures Program

Funding under the Small Tenures Program is available for eligible land-base activities on Crown land under woodlot license tenure and community forest agreement tenure. The Small Tenures Program provides funding to eligible licensees for activities similar to the LBIP (i.e., enhanced forestry, environmental preservation and restoration, and resource information).

Investments in the Small Tenure Program contribute to the FIA goal of actively fostering sustainable forest management and improving the public forest asset base by:

- acquiring and providing access to science based information about forest resources;
- ensuring that forests have sustained value production; and
- restoring and enhancing site productivity, recreation features and damaged ecosystems.

2005/06 Program Investments (\$000)			
Small Tenures Program			
	Budget	Actual	Variance
Information Gathering and Management.....	N/A	241	N/A
Stand Establishment and Treatment.....	N/A	361	N/A
Training and Extension.....	N/A	39	N/A
Infrastructure	N/A	75	N/A
Sub-Total	868	716	152
Program Administration and Audits (FBCWA).....	63	63	0
Total Program Expenditure	931	779	152

Key Accomplishments:

Acquiring and providing access to science based information about forest resources

- Resource information on a combined total of 127 550 hectares was acquired on provincial Crown land area under small tenures. Information relating to terrestrial ecosystems, vegetation resource inventory and archaeology has been enhanced on these areas.
- 17 woodlot workshops for approximately 301 participants focused on requirements associated with the Woodlot Licence Plan using the Woodlot Licence Plan Template.

Increasing timber volume and value

- 276 hectares of forest stands were treated (i.e. site prepared, planted, brushed, pruned, juvenile spaced, or fertilized). These investments contribute to growing higher quality second growth stands on Crown lands.
- 13,000 trees were purchased for planting in the spring/summer of 2007 on Crown areas harvested prior to October 1, 1987.

Restoring and enhancing site productivity, recreation infrastructure, and damaged ecosystems.

- Seven forest recreation sites were activated or maintained and three forest recreation sites were expanded to provide user safety; provide sanitary conditions; protect the environment; provide user access and convenience; and protect investment in Crown infrastructure.
- Crown Land Use Planning Enhancement

The Crown Land Use Planning Enhancement (CLUPE) Program augments the province's strategic land use planning program. Strategic land use plans are completed around the province to resolve land use conflicts, identify management priorities and establish resource objectives for specified areas of Crown land. These objectives guide land use and resource management and help to identify economic opportunities within the plan area. CLUPE funds are used for:

- *Capacity building:* Build land/resource planning capacity in the communities where planning is happening, and develop local-level support for planning outcomes.
- *Resource objectives:* Specify government's objectives for Crown forest land and resources.
- *Resource analysis:* Ensure that forest land use planning decisions are based on sound analysis and information.
- *Implementation, monitoring and evaluation:* Ensure that strategic land use plans achieve their intended social, economic and environmental objectives.

2005/06 Program Investments (\$000)			
Crown Land-Use Planning Enhancement Program			
	Budget	Actual	Variance
Building Planning Capacity	127	120	7
Developing Resource Objectives.....	1,773	1,816	(43)
Undertaking Resource Analysis.....	195	185	10
Implementation, Monitoring and Evaluation	450	424	26
Total Program Expenditure	2,545	2,545	0

Key Accomplishments:

Capacity Building

- The Bulkley Recreation Access Management Plan update is complete.
- A draft Sustainable Forest Management Plan for the Fort Nelson area has been developed on a cooperative basis between the forest industry and government.

Specifying Government's Objectives

- Stakeholder consensus has been achieved on spatial Old Growth Management Areas (OGMAs) in all 12 landscape units in Merritt and all 33 landscape units in Kamloops.
- The Kispiox Sustainable Resource Management Plan has been completed.

- Visual objectives, based on visually sensitive areas, have been established for Dawson Creek.
- Spatial OGMAs are being developed in 27 landscape units of the Okanagan-Shuswap area, all 17 landscape units in Lillooet and various areas of the Kootenays.

Resource Analysis

- The Land Use Objectives Regulation and FRPA interpretation documents have been merged to form a combined project. Final editing of this business practices document is being carried out.

Implementation, Monitoring and Evaluation

- Mountain Caribou guidelines as a component of the Kamloops Land and Resource Management Plan (LRMP) have been completed. An assessment of the impacts on timber supply has been completed.
- An evaluation of the risks of non-compliance with Kamloops LRMP objectives and strategies due to predicted impacts of the mountain pine beetle epidemic has been completed.

Tree Improvement Program

The Tree Improvement Program is an operational investment plan for management of the genetic resources of the Province to meet the FIA goal to improve the public forest land base and the Ministry of Forests and Range goal of Sustainable Forest Resources. The program focuses on improving the public forest asset base by supporting the development and availability of genetically well-adapted, high quality reforestation material from natural sources and through the conservation of our forest gene resources. The Forest Genetics Council of British Columbia, appointed by the province's Chief Forester, guides tree improvement activities in the province.

Based on its goals and objectives, the Forest Genetics Council has defined a provincial forest gene resource management program with the following components:

- *Gene Conservation* — activities monitor the gene pool needed for species to adapt to future environmental conditions, and provide technical recommendations on how to maintain the genetic resource for future generations.
- *Tree Breeding* — activities include selecting parents in wild stands, testing offspring, establishing/maintaining/measuring trials, and delivering technical support.
- *Operational Tree Improvement Program* — focuses on increasing the quality and quantity of select seed produced from existing forest company and ministry seed orchards.
- *Expansion of Orchard Seed Supply* — the Ministry of Forests and Range supports seed orchard expansions and the cooperative production of vegetative materials through SelectSeed Company Ltd., a company under the control of the Forest Genetics Council.
- *Extension and Communication subprogram* — meets Forest Genetics Council goals and objectives related to extension, communication, and education activities.
- *Gene Resource Information Management* — supports the development of computer-based systems that improve user access to information on select reforestation materials.

- *Seed Pest Management* — supports research to ensure protection of conifer seed orchards and to develop better method of management for cone and seed pests.
- *Program Planning* — Financial and administrative management that supports development of business plans, species plans, and annual activity plans for the overall program.

2005/06 Program Investments (\$000)			
Tree Improvement Program			
	Budget	Actual	Variance
Gene Conservation.....	220	220	0
Tree Breeding.....	2200	2223	(23)
Operational Tree Improvement.....	600	543	57
Expansion of Orchard Seed Supply.....	890	890	0
Extension and Communication.....	120	120	0
Gene Resource Information Management.....	50	45	5
Seed Pest Management.....	250	162	88
Program Planning.....	40	40	0
*Grants and Contributions.....	420	420	0
Total Program Expenditure.....	4790	4663	127

* Contribution agreement for Select Seed Ltd. contract.

Key Accomplishments:

Increasing timber supply

- The use of orchard seed has reached 50 per cent of provincial reforestation requirements.
- Average genetic worth of orchard seed used reached 11 per cent.
- Select Seed orchard developments are producing crops; first lodgepole pine cones harvested. Total seed sales increased to nearly \$9,000.
- All 14 Select Seed Orchards (30 per cent of provincial total) now moving from establishment to production stage.
- Third generation selections started for coastal Douglas-fir seed orchards.
- Second generation selections initiated for interior spruce.
- Completed all second generation breeding in lodgepole pine with the last population to be planted in 2006.
- Identified genetic variation for western gall rust resistance in interior lodgepole pine, allowing selection of resistant families for seed orchards.

- *Gene conservation and research*

- Published the *in situ* genetic conservation status of 50 tree species in protected areas in British Columbia.
- Developed seed transfer recommendations for restoration of whitebark pine in B.C.
- Published and released Climate B.C. Version 2.3, a model used to forecast climate at any location in B.C. under various climate-change scenarios.
- Established a significant spruce genecology/climate change study (128 populations on 15 sites).
- Developed landscape-level seed needs analysis to aid mountain pine beetle planning, analysis and mitigation objectives.
- Established long-term black cottonwood provenance-clonal trials.

Operational support, extension, and planning

- Initiated a five-year extension plan.
- Held 15 workshops on tree improvement throughout B.C.
- Upgraded GIS data for parent trees and orchard seedlots in support of the Chief Forester's Seed Standards.
- Continued development of the Seed Planning and Registry system Parent Tree registry and online seedlot registration.
- Developed a web page on Mountain Pine Beetle Superior Provenance Seed Collections to assist clients.
- Established a cone and seed pest management research program.
- Seed and cone pest research scientist hired for Seed Pest Management Program.
- Initiated studies on new systemic pesticides for control of cone and seed insects.

Forest Science Program

The Forest Science Program's vision is to be a world leader in providing credible and relevant scientific knowledge to support sustainable forest management policies and practices. The program supports the FIA goals of improving the public forest asset base and promoting greater returns from the utilization of public timber. This is accomplished by focusing on applied research in the areas of sustainable forest management, improving timber growth and value, and achieving more effective use of forest science results through extension. The FIA-FSP website, <http://www.fia-fsp.ca>, lists additional information on program plans and reports.

The Forest Science Program strategic goals are as follows:

- Improve knowledge-based science in support of sustainability.
- Improve knowledge-based science in support of improving timber growth and value.
- Guide development of a provincial forest extension program.
- Develop efficient and effective process for determining annual research and extension priorities.
- Encourage sufficient stable funding to meet the needs of the Forest Science Program.

2005/06 Program Investments (\$000)			
Forest Science Program (\$000)			
	Budget	Actual	Variance
Sustainability Research	4,209	3,858	351
Timber Growth and Value Research	3,289	3,350	(61)
Long-term Research Installation Maintenance	667	629	38
Proponent Driven	116	113	3
Extension	1,250	1,250	0
Forest Science Board	261	254	7
Research Partnerships	25	25	0
Program Administration and Audits	665	641	24
Total Program Expenditures	10,482	10,120	362

Funding for sustainability and timber growth and value projects represent the largest proportion of available funds supporting single- and multi-year projects. In 2005/06 FIA-FSP also provided funding to support site maintenance, core monitoring, and knowledge asset protection on 40 long-term research installations in British Columbia. These installations provide opportunities for the collection of long-term data and collaborative research relevant to priorities established for the sustainability and timber growth and value programs.

A smaller portion of funds supported three proponent-driven proposals that fall within the general research program, but on topics not identified as the annual priority. Two single-year projects related to baseline studies on economic value and compatible management of non-timber forest products, and synthesis and extension of research on the nutritional sustainability of variable retention harvesting. A two-year project to predict growth responses to climate change among co-occurring major tree species in British Columbia was also funded.

The Ministry of Forests and Range, through the FIA-FSP, continued to contribute to the Canadian Forest Innovation Council (CFIC) and Sustainable Forest Management Network (SFMN). CFIC is a national initiative established to encourage forest sector innovation that supports industry profitability, environmental quality, and community sustainability. The SFMN is a national partnership to deliver an internationally recognized, interdisciplinary program that undertakes relevant university-based research and training. In 2005/06 FIA-FSP provided CFIC \$25,500. The current grant to the SFMN was still in effect for 2005/06, but it is expected that further funding to the SFMN will occur in 2006/07.

Key Accomplishments:

Improve knowledge-based science in support of sustainability

- Sixty-eight projects were funded to improve knowledge-based science in support of sustainability in 2005/06. Funded projects will help reduce the uncertainty surrounding impacts of roads, access management and forest harvesting around small streams and provide more information on sustainable forest management indicators, targets, and monitoring systems. Ongoing multi-year projects provided information on wildlife such as grizzly bear, mountain caribou, and goshawks.

Improve knowledge-based science in support of improving timber growth and value

- Fifty-nine projects were funded in 2005/06 to improve knowledge-based science in support of improving timber growth and value. Projects included work on improving juvenile tree growth predictions for mountain pine beetle damaged stands, modeling individual tree mortality for northern mixed species, and further development of the Prognosis B.C. growth and yield simulator. Ongoing multi-year projects provided additional information for operational models and support tools on biological processes such as competition for light, nutrients and moisture that regulate tree growth and stand development.

Guide development of a provincial forest extension program

- In 2005/06 the provincial Forest Extension Provider, FORREX, continued a provincial Forest Extension Program to address the extension needs of the FIA Forest Science Program, FIA Land Base Investment Program, and FIA Small Tenures Program. Extension activities were focused in five areas based on priority management issues: ecosystems and biodiversity conservation; forest dynamics and integrated resource management; socio-economic; information and knowledge systems, and watershed management. Extension activities and products included workshops, conferences, publications, presentations, websites, field tours and forums.

Develop efficient and effective process for determining annual research and extension priorities

- The sustainability and timber growth and value program advisory committees (PACs) both developed 10-year strategies as well as priority documents for the 2006/07 request for proposals. The PACs also developed a mountain pine beetle priority document, based on the MoFR's Mountain Pine Beetle Stewardship Research Strategy, to guide the expenditure of funds for bio-physical research and development related to the mountain pine beetle (see Appendix 1).

Encourage sufficient stable funding to meet the needs of the Forest Science Program

- Several presentations on the FIA-FSP were given to industry and government including one to the Forest Investment Council (FIC). The Board submitted funding issues to FIC resulting in a \$3.7 M increase in funding for 2006/07. The Board is also managing the majority of funding for the biophysical research and development related to the mountain pine beetle (see Appendix 1).

Appendix A5: Table of Performance Measure Changes — 2005/06 Update Compared to 2006/07.

This section identifies major changes to September Update performance measures and provides a cross-link to where additional information can be found. For each measure appearing in the 2005/06–2007/08 Service Plan Update three outcomes are possible: The measure is unchanged; the measure has been revised; or the measure has been dropped from the 2006/07–2008/09 Service Plan. The table identifies what has happened to each measure appearing in the September Update, and where information on each measure appears in the Annual Service Plan Report.

2005/06–2007/08 Service Plan Update Performance Measures	Performance Measure Status for 2006/07	Explanation
Goal 1: Sustainable Forest and Range Resources		
Total area of Crown forest lost to wildfire (KOI).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07.
Per cent of wildfire contained at <4ha (PM).	→ Unchanged.	→ Per cent of wildfire contained at <4ha.
Per cent of Crown forest aerial surveyed to monitor forest health (PM).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07.
Per cent of bark beetle management units (BMU) — including parks and protected areas — treated by MoFR that meet treatment targets (PM).	→ Revised.	→ In 2006/07, this measure has been reworded to the “Per cent of Mountain Pine Beetle Aggressive Emergency Management Units that achieve treatment targets”. This change reflects a change in naming convention.
Per cent of high priority areas treated to manage defoliator outbreaks (PM).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07.
Per cent of TSAs and TFLs for which AAC has been determined in the last five years (PM).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07.
Volume gain of timber available for harvest in 65 years from all ministry tree improvement activities (PM).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07.
Area of provincial forestland (KOI).	→ Dropped.	→ This measure is tracked internally to the ministry starting in 2006/07.

2005/06–2007/08 Service Plan Update Performance Measures		Performance Measure Status for 2006/07		Explanation
Ratio of area reforested to area harvested or lost to fire and pest (KOI).	→	Unchanged.	→	Ratio of area reforested to area harvested or lost to fire and pest.
Per cent achievement of ministry free-growing obligations (PM).	→	Dropped.	→	This measure is tracked internally to the ministry starting in 2006/07.
Status of the State of the Forest Report (PM).	→	Revised and Dropped.	→	This measure has been converted to a percentage of report achievement to provide a better indication of progress, and will be tracked internally to the Ministry starting in 2006/07.
Per cent of FRPA values with measurable indicators for effectiveness evaluations (PM).	→	Dropped.	→	This measure is tracked internally to the ministry starting in 2006/07.
Per cent of annual harvest area with soil loss due to the establishment of permanent access roads (KOI).	→	Dropped.	→	This measure is tracked internally to the ministry starting in 2006/07.
Area restored to open forest and grassland (PM).	→	Dropped.	→	This measure is tracked internally to the ministry starting in 2006/07.
Per cent of available Crown range under a form of agreement (PM).	→	Unchanged.	→	Per cent of available Crown range under a form of agreement.
Per cent of forest and range operator's compliance with statutory requirements that regulate forest practices (KOI).	→	Unchanged.	→	Per cent of forest and range operator's compliance with statutory requirements that regulate forest practices.
Per cent of high and very high priority sites inspected for forest and range practices compliance (PM).	→	Dropped.	→	This measure is tracked internally to the ministry starting in 2006/07.
Per cent of high and very high priority sites inspected for pricing compliance (PM).	→	Dropped.	→	This measure is tracked internally to the ministry starting in 2006/07.

Goal 2: Sustainable Forest and Range Benefits

B.C.'s share of the U.S. softwood lumber market (KOI).	→	Dropped.	→	This measure is tracked internally to the ministry starting in 2006/07.
B.C.'s share of Japan softwood lumber imports (KOI).	→	Dropped.	→	This measure is tracked internally to the ministry starting in 2006/07.

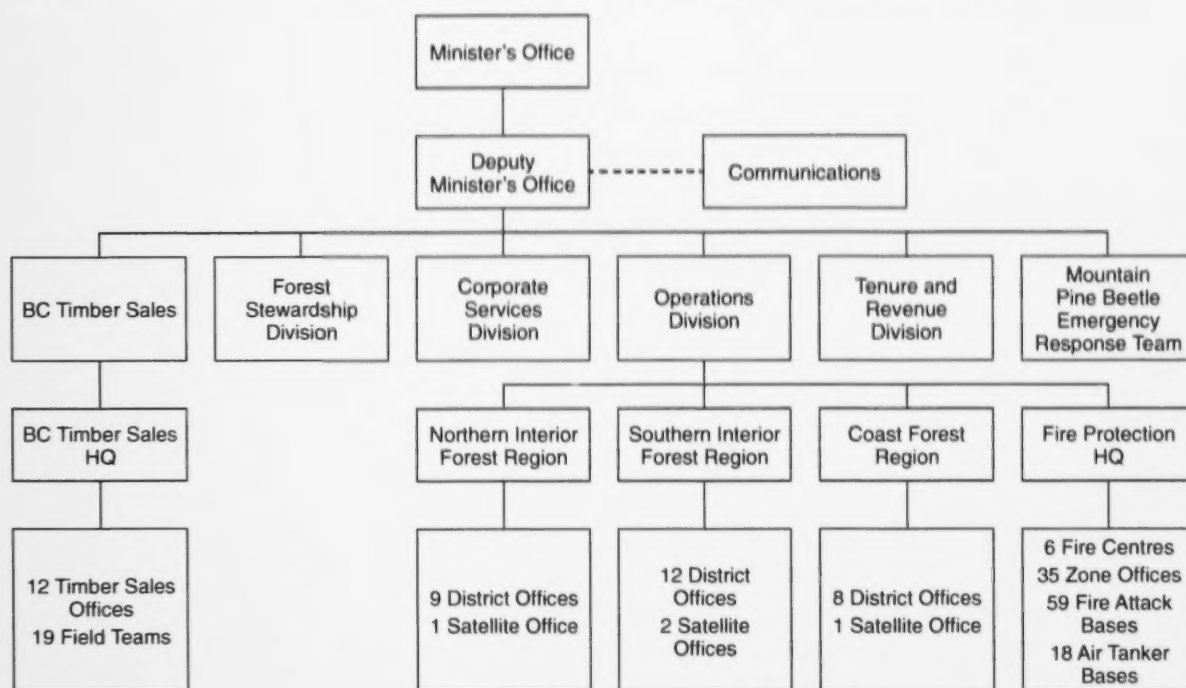
2005/06–2007/08 Service Plan Update Performance Measures		Performance Measure Status for 2006/07		Explanation
Increase in wood product sales to Taiwan, China, and Korea (KOI).	→	Dropped.	→	This measure is tracked internally to the ministry starting in 2006/07.
Percentage increase in forestland certified by major forest certification process (KOI).	→	Dropped.	→	This measure is tracked internally to the ministry starting in 2006/07.
Status of the implementation of the market-based pricing system (PM).	→	Dropped.	→	This measure will not be tracked and reported by MOFR any longer, as the system in the Interior will be implemented on July 1 2006.
Crown forest gross revenue (KOI).	→	Crown forest gross revenue.	→	Crown forest gross revenue.
Crown gross revenue from B.C. Timber Sales (KOI).	→	Dropped.	→	This measure is tracked internally to the ministry starting in 2006/07 but will continue to be publicly reported by BC Timber Sales.
Per cent of Timber Supply Area AAC under a form of tenure (PM).	→	Dropped.	→	This measure is tracked internally to the ministry in 2006/07 and is under review for potential re-introduction in the 2007/08 Service Plan.
Per cent of key engineering activities substantially achieved (PM).	→	Dropped.	→	This measure will not be tracked in the future due to inconsistent data.
Per cent of kilometres of Forest Service roads, where the District Manager is directly responsible for maintenance, that are open for public access (PM).	→	Unchanged.	→	Per cent of kilometres of Forest Service roads, where the District Manager is directly responsible for maintenance, that are open for public access.
Per cent reduction or increase to the Forest Service road network (PM).	→	Dropped.	→	This measure is tracked internally to the ministry starting in 2006/07.
Total number of Forest and Range agreements offered to and signed with First Nations (PM).	→	Revised.	→	The number of offers to First Nations is being tracked internally to the Ministry starting in 2006/07. The number of agreements will continue to be tracked in the Ministry's Service Plan.

2005/06–2007/08 Service Plan Update Performance Measures		Performance Measure Status for 2006/07		Explanation
Per cent of total timber volume available, auctioned by BCTS (PM).	→	Unchanged.	→	Per cent of total timber volume available, auctioned by BCTS.
Crown revenue from BCTS (PM).	→	Dropped.	→	This measure is tracked internally to the ministry starting in 2006/07 but will continue to be publicly reported by BC Timber Sales.
Average cost per cubic metre of volume developed by BCTS (PM).	→	Dropped.	→	This measure is tracked internally to the ministry starting in 2006/07 but will continue to be publicly reported by BC Timber Sales.
Volume offered for sale by BCTS (PM).	→	Dropped.	→	This measure is tracked internally to the ministry starting in 2006/07 but will continue to be publicly reported by BC Timber Sales.

Goal 3: Highly Effective, Innovative and Responsive Organization

Per cent of FIA performance measure targets substantially achieved (PM).	→	Dropped.	→	This measure is tracked internally to the ministry starting in 2006/07.
Per cent of British Columbians who agree that the Forest Service can be trusted to protect and manage our public forests (KOI).	→	Dropped.	→	This measure will continue to be measured in the survey done by BC Stats, but this information will be tracked internally by the Ministry starting in 2006/07.
Per cent of British Columbians who feel the Forest Service effectively protects and manages our public forests (KOI).	→	Unchanged.	→	Per cent of British Columbians who feel the Forest Service effectively protects and manages our public forests.

Appendix A6: Forests and Range Organization Structure.



The Ministry of Forests and Range has a decentralized structure (see Figure above), with the majority of staff in field offices in close proximity to the forests they protect and manage and the clients and communities they serve. Staff in Operations Division are involved in all core business areas except BC Timber Sales.

The Operations Division personnel in Victoria are the Compliance and Enforcement Branch and executive and support staff to Fire Protection and Field Services staff. The Range Branch, based in Kamloops, was established in 2005 by bringing together range staff from Forest Practices Branch and staff transferred to the ministry from the former Land and Water BC.

The Forest Stewardship Division includes the Forest Practices Branch, Research Branch, Forest Analysis and Inventory Branch and the Tree Improvement Branch, which manages the Tree Seed Centre and five seed orchard facilities. Inventory staff were transferred to the ministry from the former Ministry of Sustainable Resource Management in 2005/06.

In the Tenure and Revenue Division are Economics and Trade, Revenue, Resource Tenures and Engineering, and Aboriginal Affairs branches.

A Mountain Pine Beetle Emergency Response Team, under direction of a new Assistant Deputy Minister, was added in 2005/06 to co-ordinate government's response to the mountain pine beetle epidemic.

Corporate Services Division, provide overall co-ordination of policy development and support services to the entire ministry in the areas of financial services, human resources, information technology, and strategic policy and legislation development.

Appendix A7: Glossary of Terms.

Forests and Range Glossary

Allowable Annual Cut (AAC) — The rate of timber harvest permitted each year from a specified area of land, usually expressed as cubic metres of wood per year.

Animal Unit Months (AUMs) — The unit by which forage or grazing capability of Crown range land is measured. It is 450 kg of forage, which is the amount of forage required for one month by an average cow, aged 6 months or older.

Certification — The process of identifying forest products as those produced by organizations whose forest practices or management systems meet a set of defined voluntary certification standards, based upon independent assessments. Certification is intended to assure companies and consumers around the world that the forest products they purchase come from well-managed forests.

Criteria and Indicators — A criterion is a category of conditions or processes by which sustainable forest management may be assessed. An indicator is a measure of an aspect of the criterion. Those used in Canada are generally based on the Montreal Process initiated in 1994. This was an international meeting where criteria and indicators for the conservation and sustainable management of temperate and boreal forests were developed and agreed to internationally.

Discretionary Silviculture Activities — Silviculture activities that are not required by legislation. These may include backlog reforestation (areas harvested prior to 1987), reforestation activities on some areas burned by wildfire, and brushing, spacing, fertilizing and pruning.

Forest and Range Assets — All the forest and range resources on Crown land, including the water, soil, biodiversity, timber, forage, wildlife habitat, recreation, and scenic resources.

Forest Encroachment — Refers to the intrusion or establishment of a significant number of trees on grassland(s).

Forest Ingrowth — Refers to the process whereby previously open forest becomes more dense, and treed grasslands become more densely covered with young trees.

Forest Stand Management Fund — This account was originally established as a fund by the *Forest Stand Management Fund Act, 1986*, and was changed to a Special Account under the *Special Accounts Appropriation and Control Act* in 1988. Revenue is provided by contributions from municipalities, the forest industry, forest sector unions, and others through money collected in accordance with legislation; penalties levied in accordance with legislation; and from stumpage levies. Expenses provide for enhanced management of British Columbia's forest and rangelands, for silviculture work and costs related to environmental remediation, for the costs of investigating contravention of legislation, for fire suppression costs related to contraventions of legislation where a penalty has been levied in

respect of the contravention, and for reforestation and road deactivation in areas subject to stumpage levies. No financing transactions are provided for under this account.

Key Outcomes and Indicators — Key outcome indicators, represent key results related to an organization's goals, but that are often not directly attributable to their business activities. Logic models are used to link outcomes to business activities. Because they measure societal, land base or stakeholder results or changes in conditions or behaviours, the accountability for these key outcomes and indicators cannot be solely attributed to the Ministry of Forests.

Provincial Forest Land-base — Crown land designated by the *Forest Act* (Section 5) as under the direct jurisdiction of the Ministry of Forests and Range. This is generally equivalent to the Crown land area in TFLs, Woodlot Licences, community forest agreements and TSAs (excluding vacant Crown land).

Provincial Forest Resources — Means the resource elements of water, soil, air, and biodiversity (genetic, species and ecosystem) and the resource values associated with provincial forests including, without limitation, timber, forage, wildlife, fish, botanical forest products, cultural heritage resources, visual quality, resource features, and recreation resources.

Sustainable Forest Management (SFM) — SFM, as defined by the Canadian Council of Forest Ministers is: "To maintain and enhance the long-term health of our forest ecosystems, for the benefit of all living things both nationally and globally, while providing for environmental, economic, social and cultural opportunities for the benefit of present and future generations."

Timber Supply Area (TSA) — Land designated under the *Forest Act* that is managed for sustainable timber harvest, as determined by an allowable annual cut. There are currently 37 TSAs in British Columbia.



Section B

Office of Housing and Construction Standards

Highlights of the Year

Creation of a Ministry Responsible for Housing

A key change introduced in the summer of 2005 and reflected in the revised 2005/06 Service Plan was the creation of a Housing Department within the Ministry of Forests and Range. Previous responsibility for housing programs had been split among several Ministries. The Housing Department brought together key areas of government devoted to addressing the broad housing needs of British Columbians.

The Housing Department assumed responsibility for provincial building policy, housing policy, safety policy, and the Residential Tenancy Office. In addition the Department has responsibility for the BC Housing Management Commission (BC Housing), the Homeowner Protection Office (HPO), the Building Policy Advisory Committee, the Building Appeal Board and the Safety Standards Appeal Board.

By bringing together these responsibility areas government can better align and focus its efforts to find new ways to provide affordable housing options and improved access to safe and stable housing for all British Columbians.

At the beginning of Fiscal 2006/07, the Housing Department was renamed the Office of Housing and Construction Standards to better reflect the range of programs within its mandate. At the same time, the Residential Tenancy Office became the Residential Tenancy Branch. The Housing Department and the Residential Tenancy Office will be referred to as the Office of Housing and Construction Standards and the Residential Tenancy Branch respectively throughout this Annual Report.

Award to Working Group of the Premier's Task Force on Homelessness, Mental Illness and Addictions

The Premier's Task Force on Homelessness, Mental Illness and Addictions, made up of the Premier (chair), three Cabinet Ministers and five Mayors, developed an integrated comprehensive approach to address those challenges in our communities. The Task Force was assisted by a Working Group of senior provincial and municipal officials. Through a unique series of partnerships amongst three levels of government, First Nations and the non-profit sector, the Task Force and Working Group undertook 12 housing developments in 9 communities throughout the province. An external panel of judges recognized the complexity of the partnerships by awarding the Working Group the 2005/06 Premier's Innovation and Excellence Award in the partnerships category.

Expanded Shelter Aid for Elderly Renters (SAFER) benefits

Effective October 1, 2005, the provincial government doubled its funding for rent assistance under the Shelter Aid for Elderly Renters program. This was done to recognize the rising rents in the private rental market in many parts of the province. Rent ceilings have been increased across the entire province, and separate rent ceilings have been established for the higher average rents in the Greater Vancouver Regional District.

The program has also been expanded to include seniors who pay paid rental fees for owner-occupied manufactured homes. This enhancement will help senior renters to continue living independently in their own homes.

Implementation of the Integrated Call Centre for the Residential Tenancy Branch

In April 2005 the Residential Tenancy Branch began implementing an integrated call centre. Using new systems and technologies, landlords and tenants with BC electronic identification (BCeID) may now submit applications for arbitration over the Web, and they are notified of the hearing date by e-mail, saving them time and effort. Since the electronic application procedure was implemented approximately 400 applications per month (approximately 25 per cent) are being received over the Internet.

Continuing work on an initiative to reform regulations supporting safety in the design, construction and occupancy of buildings

In 2005/06 the Office of Housing and Construction Standards made significant progress on a project to assess the need to reform regulations that support safety in the design, construction and occupancy of buildings.

The *BC Building Code* and *BC Fire Code* are two cornerstone regulations in the system to support safety. However, these regulations exist in a context of provincial laws and local government bylaws. In response to industry requests to make the regulatory context more rational, the Office of Housing and Construction Standards launched the Modernization Strategy.

In 2005/06, activities centred on assessing the need for change, and identifying areas for potential change that would have the greatest positive impact. Those who use the *BC Building Code* and *BC Fire Code*, as well as people who are impacted by these regulations, helped identify, prioritize and assess issues. The Office of Housing and Construction Standards analyzed their input, along with previous reports and studies. The following five areas were identified as the focus of work over the next four years:

- Information management and system performance
- Liability and risk
- Competency
- Consistent code application
- Consistent code compliance and enforcement processes

Tools for Communities

The Safety Policy and Liaison Branch was instrumental in developing an innovative approach to mitigating safety risks posed by marijuana grow operations. This approach was developed in collaboration with local governments on the lower mainland and in the Okanagan and a new strategy to address the safety issues was presented at a Union of British Columbia Municipalities (UBCM) workshop in September 2005. Following a very positive response at the UBCM, and support of the Minister of Public Safety and Solicitor General, amendments to the *Safety Standards Act* have been developed in consultation with BC Hydro and other electrical utilities in the province. These amendments will enable local governments and the police to address the significant safety issues in residential neighbourhoods.



Following the Ontario model, the Safety Policy and Liaison Branch helped to establish a BC Common Ground Alliance for the purpose of ensuring safer excavations around underground electrical, gas and other utilities. The Alliance is co-chaired by the BC Construction Association and the BC Safety Authority. Work began to develop “best practices” guides on several topics.

The enactment of the Monetary Penalties Regulation under the *Safety Standards Act* on March 31, 2005 gives the BC Safety Authority and local governments tools to ensure compliance with the Act. The branch also made presentations on the use and application of monetary penalties to the Act administrators.

In 2005/06, the Water Conservation Plumbing Regulation, a regulation under the *Community Charter*, was amended to increase water conservation measures in self-identified local governments by requiring that new installations of toilets consume no more than six litres per flush. This self-identification process is a new approach for building regulation. It achieves the provincial government’s interest in consistent building regulation while allowing local governments to determine whether they wish regulations for a particular topic.

In 2005/06, the Housing Policy Branch promoted innovative practices for improving market housing affordability by leading a workshop at the annual UBCM conference. The half-day session illustrated how local governments across BC have been using community planning initiatives, land use planning and zoning tools, financial incentives, and design guidelines to increase the supply and general affordability of market housing. The session was well received and further workshops are being planned for the upcoming year.

Purpose, Vision, Mission and Values

Purpose

Housing is the cornerstone of a healthy, secure and stable society. The Office of Housing and Construction Standards brings together key areas of government devoted to addressing the broad housing needs of British Columbians. The Office is responsible for provincial housing policy, building policy, safety policy, and the Residential Tenancy Branch. In addition, the Office has responsibility for several Crown agencies, boards and commissions including BC Housing, the HPO, the Building Code Appeal Board and the Safety Standards Appeal Board. With this structure, government's efforts to improve access to safe and stable housing for all British Columbians are integrated and aligned.



Vision

Safe and stable housing for all British Columbians.

Mission

To provide leadership in meeting the housing needs of all British Columbians by enabling a range of housing choices.

Values

The Office of Housing and Construction Standards is an organization guided by the following values:

- We value the importance of housing as a home — the foundation on which to build a healthy life and a sustainable community.
- We value innovation and excellence in the work we do and are accountable to ourselves and ultimately to the citizens of British Columbia.
- We value strong working relationships built on open communication and shared understanding that inspires trust and confidence.
- We value integrated services and partnerships that optimize resources and improve the well being of our clients and stakeholders.
- We value the people we work with and the people we serve, respecting diversity and treating everyone fairly and with dignity.

Strategic Context

Housing need and the provincial government's response can be viewed as a continuum. At one end are people who cannot house themselves without some form of government assistance. At the other end are people who can adequately house themselves in the private housing market. The continuum spans low to high-income, homelessness to homeownership, dependence to self-sufficiency. Government housing assistance is strategically designed to promote movement along the continuum towards greater self-sufficiency and homeownership. Underlying the continuum are foundational elements including the *BC Building Code*, the *Homeowner Protection Act* and the *Residential Tenancy Act*. These governing elements contribute to consumer protection and the safety and stability of our housing.

The vast majority of British Columbians are housed successfully in BC's private housing market. BC Stats reported that in 2005/06, approximately 36 per cent of BC households were renters and 64 per cent are homeowners. Even with the rising cost of renting and homeownership in BC's larger urban centres, the private market was adequately meeting the housing need of approximately 85 per cent of BC's population.



For the remaining 15 per cent that are unable to meet their housing need in the private market, government support is necessary to meet their housing requirements.

According to the June 2005 RBC Financial Group's Housing Affordability Study, housing in some areas of BC is the most expensive in the country, and the gap between what people earned and the cost of housing grew. Greater Vancouver had the highest prices and worst affordability index in Canada. Creeping interest rates and scarcity of land were factors in making home ownership too costly for the average family. The affordability issue is forecast to worsen.

BC's building boom, coupled with an aging workforce, resulted in a shortage of skilled labour in the housing and construction sectors. This has driven the cost of construction up, making housing even less affordable.

Counts of homeless populations in 2005/06 Vancouver, Victoria, Kelowna and the Fraser Valley suggested the number of homeless increased. Families and the "working poor" have joined people with mental illness and addictions evident in the homeless populations. As a result, the problem of homelessness is evident in virtually every community across the province. In responding to this, the Office of Housing and Construction Standards has taken a leadership role on the Premier's Task Force on Homelessness, Mental Illness and Addictions Working Group. The Working Group has implemented the Task Force's direction and has created successful partnerships with funding ministries, local governments and service agencies.

Demographic trends point to a growing seniors population with fixed incomes and a need for housing with supports. The number of senior-led households is expected to increase by over 60 per cent from 246,000 in 2001 to more than 397,000 by 2021.²

Very few new rental units were built in the private market, and those that were did not fall into the affordable housing category. Canada Mortgage and Housing Corporation (CMHC) reported only 934 purpose-built rental housing units under construction in BC in 2004.

One of the key mandates of the Office of Housing and Construction Standards in 2005/06 was to provide leadership in housing and to develop and implement a comprehensive provincial housing strategy. To achieve this mandate, the integration of services and the building of partnerships with local and federal governments and with the private and non-profit sectors are paramount to success. The housing strategy had been substantially developed by the end of 2005/06.

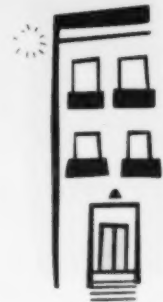


In the building safety realm, several factors are increasing the need for flexibility in provincial regulatory frameworks. Free trade agreements with other jurisdictions both within and external to Canada provide opportunities for provincial industry and business, but safety regulations which are not harmonized across jurisdictions can limit industry's ability to build on these possibilities. The pace of technological change has increased due to use of information technology and increased competition, and the structure of safety regulation can either enable or limit technological innovation in the province. As well, other jurisdictions

in Canada and worldwide are implementing "smart regulation" principles such as objective based codes, decreasing the regulatory burden on their citizens and businesses.

Within this context, the Office of Housing and Construction Standards contributed to achievement of two of government's Five Great Goals:

- Lead the way in North America in healthy living and physical fitness, by developing codes and standards to support safety in the design, construction and occupancy of the built environment; and
- Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk and seniors, by developing and delivering housing policies and programs for BC's most vulnerable citizens.



² Based on estimates published by BC Stats under P.E.O.P.L.E Projection 29.

Service Delivery and Core Business Areas

Service Delivery

The Housing Policy Branch delivers strategic planning, policy and legislative development, program evaluation and research services for government. The branch manages a wide range of issues in both market and non-market housing. Attention is paid to the housing needs of persons with disabilities, seniors, Aboriginal people, youth, and the homeless population through inter-related policies and program development.

The Safety Policy and Liaison Branch manages the policy and legislative framework for the safety of regulated products in BC. The BC Safety Authority and ten local governments have delegated responsibility for administering compliance with the *Safety Standards Act*. The BC Safety Authority also administers compliance with the *Railway Safety Act*. The Safety Policy and Liaison Branch manages the delegation through administrative agreements. These agreements define the principles of the delegation, the responsibilities of the parties and establish annual reporting requirements.

Like the Housing Policy Branch and the Safety Policy and Liaison Branch, the Building Policy Branch provides strategic planning advice to the Minister Responsible for Housing. Branch activities are focused in two areas:

- Governance, or the regulatory environment that supports consistent application of the *BC Building Code* and *BC Fire Code*; and
- Stewardship, or ongoing development of key regulations that support safety in the design, construction and occupancy of buildings, most notably the *BC Building Code* and the *BC Fire Code*.

The Building Policy Branch was assisted in its activities by the Building Policy Advisory Committee. This group, with representatives from nine key industry associations, provided strategic advice on the Office of Housing and Construction Standards' initiative to assess the need for changes to the system to support safety in the design, construction and occupancy of buildings.

The Residential Tenancy Branch delivers information and dispute resolution services directly to landlords and tenants through three offices and over the Internet. Information officers assist the public with enquiries about tenancy rights and responsibilities. Arbitration services are available for landlords and tenants who cannot resolve disputes on their own. Information sessions and materials are provided to organizations interested in landlord and tenant issues.

The Ministry has established Letters of Expectations with its related Crown Agencies (HPO and BC Housing). The Letter of Expectations represents an agreement on the respective roles and responsibilities of the parties and include high-level performance expectations, public policy issues and strategic priorities. Each Letter of Expectations is reviewed annually and updated as required. It also forms the basis for the development of each Crown Agency's Service Plan and Annual Report.

The Office of Housing and Construction Standards' legislative mandate is provided through 15 Statutes and related Regulations (see Appendix B1).

Core Business Areas

While the core business for the Office of Housing and Construction Standards is housing and homelessness, for practical purposes the business of the Office has been divided into three functional units.

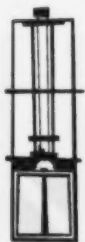
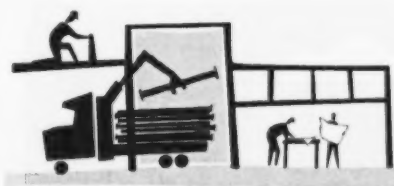


1. Housing Policy

The Office provides provincial housing policy advice to government on ways to address housing need along the housing continuum from homelessness to homeownership. The role of housing policy is to identify the strategic points along the housing continuum where government support can assist British Columbians to meet their housing requirements. Working closely with BC Housing, special attention is paid to the area of most acute need found among low income British Columbians who have special housing and support needs.

2. Building and Safety Policy

The Office provides policy advice on British Columbia's building regulatory system to advance building safety in the province and to manage existing and emerging technical and building policy issues. As the administrators of the BC Building and Fire Codes, the Office focuses on the development, maintenance and application of these regulations, and acts as the secretariat to the BC Building Code Appeal Board.



Increased public safety and reduction in loss of life, injury and property damage are of paramount importance to government. The Office also provides policy and regulatory advice in the areas of electrical products and systems, gas, elevating devices, boiler and pressure vessel products, works and systems, and railways. As well, the Office manages the administrative agreements with delegated authorities under the *Safety Standards Act* and the *Railway Safety Act*.

3. Residential Tenancy Branch

Approximately 36 per cent of households in BC rent their homes. The Residential Tenancy Branch works to promote a positive relationship between landlords and tenants by providing both groups with information on their rights and responsibilities under the *Residential Tenancy Act* and the *Manufactured Home Park Tenancy Act*. The Office also assists landlords and tenants to resolve concerns by providing dispute resolution services including arbitrations. There are offices in Vancouver, Victoria and Kelowna with a total staff complement of 50 full-time equivalents.



Report on Performance

Performance Summary Table

The following table summarizes the Office of Housing and Construction Standard's performance in relation to the performance measures identified in the 2005/06 Service Plan. For a detailed comparison of goals, objectives and performance measures in the 2005/06 Service Plan versus those presented in the 2006/07 Service Plan refer to Appendix B2.

Five Great Goals	Office of Housing and Construction Standards Mission: To provide leadership in meeting the housing needs of all British Columbians by enabling a range of housing choices.			
	Office Goals	Office Objectives	Performance Measures /Indicators	Result
3. Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk, and seniors. 2. Lead the way in North America in healthy living and physical fitness.	1. BC's most vulnerable citizens have access to short and long term social housing.	1. Housing and support services are integrated and targeted to those in greatest need.	- Develop a comprehensive provincial housing strategy. - Percentage of tenants belonging to assisted priority groups. - Number of frail and low income senior households assisted through housing programs.	✓ ✓✓ ✓✓
		2. Individuals in need have access to safe emergency shelter.	Percentage of available shelter beds accessed.	N/A
		1. Local governments have access to information and planning tools to achieve their goals with respect to affordable housing options in their communities.	Percentage of local governments in communities over 100,000 that apply affordable housing planning tools and techniques.	N/A
	2. Low and moderate income households have an expanded range of housing options.	2. Partnership opportunities that explore innovation in housing are promoted and supported.	TBD	N/A
		3. Senior renters can afford to continue living independently in their own homes.	TBD	N/A
		1. Landlord and tenant disputes are resolved in a timely manner.	- Percentage of residential tenancy arbitrations scheduled to take place within 6 weeks or less. - Percentage of residential tenancy disputes resolved without arbitration.	✕ N/A
	3. Landlord and tenant relationships are improved.			

Five Great Goals	Office of Housing and Construction Standards			
	Mission: To provide leadership in meeting the housing needs of all British Columbians by enabling a range of housing choices.			
	Office Goals	Office Objectives	Performance Measures /Indicators	Result
3. Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk, and seniors. 2. Lead the way in North America in healthy living and physical fitness.	4. A safe built environment where the social, economic and safety interests of participants are balanced.	1. Policy and legislative frameworks maintain or enhance safety, health and accessibility in the built environment.	- Objective-based BC Building Code and Fire Code adopted. - Percentage of code users benefiting from objective-based BC Building Code and Fire Code. - Safety trends by sector are maintained or improved.	X
				N/A
				✓
				✓
		2. The building safety regulatory system is responsive to the changing needs of system participants.	- Prepare recommendations for modernizing and rationalizing the building safety regulatory system. - Provide updated and improved technical regulations for minister's review annually.	N/A
✓✓ Exceeded target. ✓ Achieved target. △ Target mostly achieved. × Missed target. N/A — Not Applicable.				

Goal 1: BC's most vulnerable citizens have access to short and long term social housing.

The most acute need for housing is found among low income people who have special housing and support needs. Included in this group are people with mental or physical disabilities, the frail elderly, the homeless or those at risk of homelessness and individuals or families who have experienced domestic violence. Government's response to this group is not limited to housing, but also includes providing health and other social supports. This group is often referred to as "the most vulnerable".³ Research indicates that by providing adequate, stable and affordable housing to the most vulnerable, government can reduce its costs in health care and other social service areas.⁴

³ The "Most Vulnerable" are defined as those individuals who have a low income and a special housing need that inhibits their ability to find appropriate housing in the private market. A **special housing need** refers to the requirement for accessibility modifications or provincially funded support services in order to live independently in the community.

⁴ Eberle, Margaret, Deborah Kraus, Steve Pomeroy, and David Hulchanski. 2001. *Homelessness: Causes and Effects. Volume 3. The Costs of Homelessness in British Columbia*. Victoria: Ministry of Social Development and Economic Security.

With the emphasis on fiscal sustainability, government housing assistance is shifting away from a broad-based approach with potential eligibility available for any low income household or person considered to be in Core Housing Need.⁵



The new approach stresses meeting the needs of our most vulnerable citizens. Housing resources would first and foremost be used to meet the needs of priority vulnerable groups. This focused approach requires increasing the transitional nature of social housing and developing programs to move social housing tenants along the housing continuum, from government dependence to self-sufficiency.

To support government's efforts to help those most in need of housing and support, a new Provincial Housing Strategy will be unveiled in 2006. The Strategy is a comprehensive blueprint for improving the range of housing choices available for British Columbians and will enhance the safety and stability of B.C.'s housing system.

Objective 1: Housing and social support services are integrated and targeted to those in greatest need.

Integration of housing services, supports and resources is required to improve people's graduated independence along the housing continuum from temporary shelters — to transitional housing — to supportive or permanent housing.

Recent research indicates that the most effective approach to addressing homelessness is the "continuum of care" model. The model emphasizes the delivery of supportive housing with integrated support services. Benefits are not only better health and personal outcomes for homeless people but also avoidance of higher cost institutional services (i.e., hospitals, emergency health services and correctional facilities).

With the shift to serving BC's most vulnerable citizens first in subsidized housing, linking housing with other social supports has become increasingly important. This shift requires clearly defined roles and responsibilities as well as new working relationships among the partners supporting vulnerable subsidized housing tenants. Partnership strategies and initiatives are key to ensuring the availability of appropriate programs and services.

⁵ **Core Housing Need** is the national standard that measures housing need. Canadian households are considered to be in core housing need if they do not live in and could not access housing that is in adequate condition and of suitable size without paying more than 30 per cent of gross household income.

Measure 1.1.1	2005/06 Target	2005/06 Actual	Variance	Target Met?
Develop a comprehensive provincial housing strategy	Substantially complete development of a strategy	Substantially complete development of a strategy	None	Target achieved
Data Considerations/Selection Rationale Development of a provincial housing strategy required a review of existing housing programs and assets and a refocusing on what government involvement should and can realistically aim to achieve, given limited resources.				
Variance Explanation No variance. Target achieved.				
Data Sources and Issues Internal data.				
Changes to the Measure This measure was dropped in the 2006/07 Service Plan because it had been substantially achieved by the end of 2005/06. Additional funding was provided in the 2006/07 budget for Housing Strategy initiatives.				

Measure 1.1.2	2005/06 Target	2005/06 Actual	Variance	Target Met?
Percentage of tenants belonging to assisted priority groups	82%	84%	2%	Target exceeded
Data Considerations/Selection Rationale Current priority groups include seniors, persons with physical or mental disabilities, and individuals who are homeless or at risk of becoming homeless, including women with their children fleeing abuse. The target reflects the number of households currently living in subsidized housing or receiving assistance in the private market that come from one of the designated priority groups who face a combination of challenges in addition to low income. The percentage of households assisted from one of the designated priority groups will continue to increase as existing units turn over and new units reach completion. Out of the total inventory of 59,427 subsidized households and units, approximately 49,731 were serving one of the designated priority groups.				
Variance Explanation Enhancements to the SAFER program, the transfer of responsibility for the Province's Emergency Shelter Program and the completion of 1,583 units under different programs resulted in the net increase in priority groups being assisted.				
Data Sources and Issues The source for this data is BC Housing.				
Changes to the Measure The new measure for this Objective in the 2006/07 Service Plan is "Percentage of assisted clients belonging to priority groups". The targets related to this measure will be revised to include the effect of the SAFER program enhancements included in the BC Budget. It is expected that additional information to update this target will be available in the 2007/08 Service Plan.				

Measure 1.1.3	2005/06 Target	2005/06 Actual	Variance	Target Met?
Number of frail and low income senior households assisted through provincial housing programs	34,800	36,860	2,060	Target exceeded
Data Considerations/Selection Rationale Demonstrates the provinces commitment to meeting the needs of frail and low income seniors by reporting on the number of senior households assisted through the Independent Living BC program and existing housing resources.				
Variance Explanation There were a total of 36,860 seniors assisted through the various housing programs including SAFER, ILBC and the existing inventory of subsidized housing. The enhancement to the SAFER program announced in September 2005 resulted in performance being above the target for 2005/06.				
Data Sources and Issues The source for this data is BC Housing.				
Changes to the Measure This measure was revised in the Ministry's 2006/07 Service Plan to focus on the "Number of units/beds created or adapted for priority clients". The change helps to expand the focus from the frail elderly to include other vulnerable groups such as persons with physical or mental disabilities, women and children who have experienced domestic violence as well as those who are homeless or at risk of homelessness. Seniors receiving rental assistance in the private market will be included in the measure "number of senior households assisted through housing programs". This new measure reports on the efficiency of the use of the existing housing stock with the long-term objective being to identify strategies that will help to ensure that the needs of vulnerable British Columbians are being met.				

Objective 2: Individuals in need have access to safe emergency shelter.

Homelessness is a serious issue faced by some British Columbians. As a first step in addressing the needs of the homeless, government provides emergency shelter bed funding to community agencies to assist individuals who are temporarily without accommodation. Funding provides for year-round beds and is enhanced during the winter months, when additional beds are needed most.

The economic and social cost of homelessness to Canadian communities is extremely high. Recent research in British Columbia estimates the cost of homelessness at \$30,000 to \$40,000/person for one year.⁶ The IBI Group estimates that the societal cost of homelessness in Canada is approximately \$1.4 billion per year.⁷ The greatest expenditures are in health care, criminal justice, social services and shelters. Ensuring vulnerable populations have

⁶ Eberle, Margaret, Deborah Kraus, Steve Pomeroy, and David Hulchanski. 2001. *Homelessness: Causes and Effects. Volume 3. The Costs of Homelessness in British Columbia*. Victoria: Ministry of Social Development and Economic Security.

⁷ IBI Group. 2003. "Societal Cost of Homelessness". Prepared for the Edmonton Joint Planning Committee on Housing and the Calgary Homelessness Foundation.

access to secure housing and support services at an early stage reduces the demand and costs on institutional and emergency support systems.

Measure 1.2.1	2005/06 Target	2005/06 Actual	Variance	Target Met?
Percentage of available shelter beds accessed	TBD	2005/06 Service Plan measure was to be determined Measure replaced in the 2006/07 Service Plan		
Data Considerations/Selection Rationale Emergency shelters are an important point of access for moving an individual to the next stage in the housing continuum. This measure reports the capacity of the emergency shelter system and the ability of those who are homeless to access one of the 1,260 shelter beds under the Province's Emergency Shelter Program.				
Variance Explanation Target not determined.				
Data Sources and Issues The source for this data is BC Housing. Measuring success in alleviating homelessness is very difficult because of the transient nature of the population and the lack of information collected. This measure allows government to track emergency shelter bed usage and will help ensure resources are allocated where they are needed most.				
Changes to the Measure The new measure for this objective in the 2006/07 Service Plan is "Percentage of nights where shelters are at full capacity." BC Housing assumed responsibility for this program in November 2005. Accordingly, there are limited operating data at this time. However, a system for tracking and reporting on this measure has been established, and baseline data will be available for 2006/07. In measuring results, it is important to recognize that a range of external factors can influence the outcomes, such as differences across regions, client groups and seasons. These factors will be included in the baseline analysis to ensure that appropriate information is being collected.				

Goal 2: Low and moderate income households have an expanded range of housing options.

Affordable rental housing in the private market is becoming increasingly scarce, particularly in Greater Vancouver and Victoria. The Vancouver CMA⁸ vacancy rate is 1.4 per cent with the Victoria CMA vacancy rate even lower at 0.5 per cent.⁹ This is due primarily to the lack of new affordable housing supply, coupled with a booming economy and an in-migration of workers.

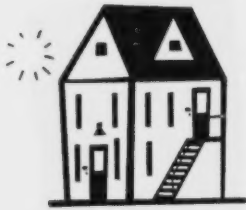
There is minimal construction and investment in affordable rental housing in the private market and those units being added are in the higher rent ranges. Evidence suggests that

⁸ CMA = Census Metropolitan Area.

⁹ CMHC Rental Market Report, BC Highlights October 2005 Survey.

in spite of the high levels of demand, market rent levels are below the levels required to generate a reasonable return on investment.

Investor-owned condominiums and secondary suites in new and existing homes are areas where affordable rental housing is still growing. Over the past few years, the province has worked closely with local governments to promote the development of affordable market rental housing and permissive secondary suite bylaws and this work will continue.



To enhance affordability and increase housing options, tools, guides and workshops are developed in partnership with local governments, non-profit housing providers and industry. Planning guides assist with addressing a number of housing issues: secondary suite programs, community planning initiatives, design guidelines, financial incentives and land use planning and zoning tools. Legislation has been introduced to allow developers access to purchasers' deposit monies if those monies are appropriately insured. By lowering development

costs, it is expected that the consumer will benefit.

Effective October 1, 2005, the Provincial Government doubled its funding for rent assistance under the Shelter Aid for Elderly Renters (SAFER) Program. Rent ceilings have been increased across the entire province, and separate rent ceilings have been established for the higher average rents in the Greater Vancouver Regional District. The program has also been expanded to include seniors who pay paid rental fees for owner-occupied manufactured homes.

Objective 1: Local governments have access to information and planning tools to achieve their goals with respect to affordable housing options in their communities.

The ability to impact market housing affordability is limited. Local governments are best placed to improve the affordability of market housing through innovative planning and development practices. The province is committed to improving access to information on best practices in this area.

As part of an educational strategy, the Office is working with local governments and industry stakeholders to develop and deliver customized workshops on improving market housing affordability. The Office initiated partnerships with other ministries and local governments to help address affordable housing challenges resulting from oil and gas industry expansion in north-eastern British Columbia.

Every three years starting in 1996, the province has surveyed all local governments to measure the use of planning tools that promote housing affordability. The results of the survey are summarized and published, and are useful for local governments to describe advances in planning for housing affordability.

Measure 2.1.1	2004/05 Baseline	2005/06 Target	2005/06 Actual	Variance	Target Met?
Percentage of local governments in communities over 100,000 that apply affordable housing planning tools and techniques	69.9%	Data not available	Data not available	N/A	N/A
Data Considerations/Selection Rationale Use of these tools indicates local governments are enhancing their capacity and moving toward the goal of improved housing affordability.					
Variance Explanation N/A					
Data Sources and Issues Survey completed every three years.					
Changes to the Measure No change to this measure in the 2006/07 Service Plan.					

Objective 2: Partnership opportunities that explore innovation in housing are promoted and supported.

The annual number of partnerships does not allow for a representative data sample to accurately measure significant benefits in the area of housing affordability. As such, it is being removed from the Office's performance measures and will not be reported upon in 2006/07.

Objective 3: Senior renters can afford to continue living independently in their own homes.

Effective October 1, 2005, many seniors across B.C. have benefited from a \$16.6 million increase to the Province's Shelter Aid for Elderly Renters (SAFER) Program. The SAFER budget will nearly double to \$34.1 million in 2006/07 and the average payment to eligible recipients will rise from \$105 to \$169 each month.

Rent ceilings have increased, creating expanded eligibility for the program and bringing them in line with average market rents for bachelor suites and one-bedroom apartments. For the first time, separate rent ceilings have been established for the Greater Vancouver Regional District to reflect local market conditions. Seniors faced with significant pad rental fees in owner-occupied manufactured homes are now eligible for SAFER benefits.



Goal 3: Landlord and tenant relationships are improved.

The Residential Tenancy Branch provides landlords and tenants with information and dispute resolution services, including arbitration.



An effective residential tenancy system assists landlords and tenants to resolve disputes on their own. The Residential Tenancy Branch contributes to this process by providing publications, workshops, and information about landlord and tenant rights and responsibilities through telephone, e-mail and in-person contacts.

Landlords and tenants who cannot resolve disputes on their own may ask the Residential Tenancy Branch to provide dispute resolution services. The dispute resolution process allows Information Officers to take a more active role in helping landlords and tenants resolve disputes. The aim of this process is to improve communication between the parties and help resolve disputes before they escalate to arbitration. When necessary, landlords and tenants may apply for arbitration — a quasi-judicial process where an arbitrator conducts a hearing and makes an impartial, binding decision on the parties. Decisions are based on the law and the evidence brought forward at the hearing.

Objective 1: Landlord and tenant disputes are resolved in a timely manner.

An important objective of the Branch is an effective residential tenancy system where landlord-tenant disputes are resolved in a timely manner. The Residential Tenancy Branch conducts approximately 18,000 arbitrations annually. With such high demand, the Branch strives to provide timely, efficient, and cost-effective services. The more quickly disputes are resolved, the better the rental market can function.

Measure 3.1.1	2005/06 Target	2005/06 Actual	Variance	Target Met?
Percentage of residential tenancy arbitrations scheduled to take place within six weeks or less	92%	70%	(22%)	Not met
Data Considerations/Selection Rationale				
This measure reflects the ability of government to meet statutory time limits for arbitration. Fluctuations in population, vacancy rates and availability of arbitrators influence the ability to meet targets.				
Variance Explanation				
The number of applications for arbitration increased in 2005/06 while there was a reduction in the number of arbitrators available to hear disputes. Proposed amendments to legislation will authorize the director to hire full time staff arbitrators and to fast track some common types of disputes. This will improve efficiency and ability to meet targets in future years.				
Data Sources and Issues				
Residential Tenancy Branch internal records (scheduling system).				
Changes to the Measure				
N/A				

Measure 3.1.2	2005/06 Target	2005/06 Actual	Variance	Target Met?
Percentage of residential tenancy disputes resolved without arbitration	2005/06 Service Plan measure was to be determined Measure dropped in the 2006/07 Service Plan			
Data Considerations/Selection Rationale Information is provided to landlords and tenants through various formats — written publications, website, telephone calls, e-mails, presentations, and other organizations. The Residential Tenancy Branch does not keep records of contacts unless arbitration is involved.				
Variance Explanation N/A				
Data Sources and Issues N/A				
Changes to the Measure Measure dropped in 2006/07 Service Plan. Although the Residential Tenancy Branch has data on disputes that are brought to arbitration, the Branch has no information on disputes that landlords and tenants resolve on their own.				

Goal 4: A safe built environment where social, economic and safety interests of participants are balanced.

Many different parties contribute to safety in the built environment, including designers, builders, building owners and various levels of government. The provincial role is to support safety in buildings through regulations and a regulatory framework that is consistent throughout British Columbia. Because there are many parties, there are also many interests, each with its own emphasis. The Office of Housing and Construction Standards seeks to balance the social, economic and safety interests of the participants in the system to achieve safety.



Objective 1: Policy and legislative frameworks maintain or enhance safety, health and accessibility in the built environment.

In 2005/06, the Office of Housing and Construction Standards began a system-wide review of regulations that support safety in the built environment, with a focus on regulations affecting building designers, builders and building owners. During the year, the Office of Housing and Construction Standards assessed the need for change, and, with the help of industry participants, found changes would improve the regulatory framework.

Measure 4.1.1	2005/06 Target	2005/06 Actual	Variance	Target Met?
Objective-based <i>BC Building Code</i> and <i>BC Fire Code</i> adopted	Adopt codes	New codes not adopted	New codes not adopted	Not met
Selection Rationale Building and Fire Codes are continually being renewed, in response to new building science, new technologies and new building practices. The 1998 <i>BC Building Code</i> and <i>BC Fire Code</i> were scrutinized over the past eight years, and changes have been recommended. Adoption of the <i>BC Building Code</i> and <i>BC Fire Code</i> is tied to publication of the model <i>National Building Code of Canada</i> and the model <i>National Fire Code of Canada</i>, on which the BC codes are based. The provincial government has committed to increasing harmonization with the model national codes, which ties British Columbia to the model national codes production schedule.				
Variance Explanation The Office of Housing and Construction Standards did not publish the next edition of the <i>BC Building Code</i> and <i>BC Fire Code</i> in 2005/06. The <i>BC Building Code</i> and <i>BC Fire Code</i> are based on the model National Building, Plumbing and Fire Codes. All provinces and territories, including BC, are more involved than previously in the development of the model National Building, Plumbing and Fire Codes. As a result of increased provincial-territorial involvement, there were delays in issuing the model national codes. British Columbia was subsequently delayed in including its variations.				
Data Sources and Issues N/A				
Changes to the Measure The Minister Responsible for Housing is expected to adopt the next edition of the <i>BC Building Code</i> and <i>BC Fire Code</i> in 2006/07. This measure appears in the 2006/07 Service Plan in relation to a new objective "Relevant and responsive codes, standards and regulatory systems in place", and reflects work associated with ongoing code development. A new unrelated performance measure "Home warranty claims within industry norms" replaces this measure in relation to the new related goal "Safety is achieved in the built environment" and objective "BC homeowners are protected".				

Measure 4.1.2	2005/06 Target	2005/06 Actual	Variance	Target Met?
Percentage of code users benefiting from objective-based <i>BC Building Code</i> and <i>BC Fire Code</i>	2005/06 Service Plan measure was to be determined Measure dropped in the 2006/07 Service Plan			
Data Considerations/Selection Rationale Because the <i>BC Building Code</i> and <i>BC Fire Code</i> , like the model national codes on which they are based, are being produced for the first time in an objective-based code format, it is worthwhile to determine whether code users are benefiting from the additional information offered through objectives, functional statements, intent statements and application statements. However, since there is only one format of the <i>BC Building Code</i> and <i>BC Fire Code</i> in effect at any one time, it may be difficult to quantify the benefits of the format.				

Variance Explanation

The Office of Housing and Construction Standards did not assess whether code users are benefiting from the objective-based *BC Building Code* and *BC Fire Code* because the codes were not yet available to code users.

Data Sources and Issues

No data available.

Changes to the Measure

Measure dropped in 2006/07 Service Plan. This and other measures related to the new related objective "Relevant and responsive codes, standards and regulatory systems in place" were replaced in the 2006/07 Service Plan with the new measure "Safety index to be established and safety trends maintained and improved."

Measure 4.1.3	2005/06 Target	2005/06 Actual	Variance	Target Met?
Safety trends by sector are maintained or improved	Indicators refined and data collected	Indicators identified Data collection system improvements underway	None	Target achieved
Data Considerations/Selection Rationale				
The BC Safety Authority, in accordance with the requirements established in the Administrative Agreement to develop an annual state of safety report, have selected indicators and are collecting data that support the indicators. Work is ongoing to improve the quality of the data collected.				
Variance Explanation				
No variance. Target achieved.				
Data Sources and Issues				
Data are collected by the BC Safety Authority.				
Changes to the Measure				
This measure was modified in the 2006/07 Service Plan to recognize the establishment of a safety index that will measure and assess the performance of the province's technical safety framework in achieving acceptable public safety outcomes.				

Objective 2: The building safety regulatory system is responsive to the changing needs of system participants.

In 2005/06, the Office of Housing and Construction Standards prepared recommendations for modernizing and rationalizing relevant regulations to achieve safety in the design, construction and occupancy of buildings with significant input from various system participants. Government directed the Office of Housing and Construction Standards to proceed with a Modernization Strategy, which focuses on the following five areas where the potential for change will have the greatest impact:

- Information management and system performance
- Liability and risk
- Competency
- Consistent code application
- Consistent code compliance and enforcement processes.

Measure 4.2.1	2005/06 Target	2005/06 Actual	Variance	Target Met?
Prepare recommendations for modernizing and rationalizing the building safety regulatory system	Make preliminary recommendations by Fall 2005	Preliminary recommendations made	None	Target achieved
Data Considerations/Selection Rationale Over the past 25 years, industry associations have made many submissions to the provincial government calling for reform of building regulations. In 2003, the provincial government moved forward with reform through adoption of the <i>Safety Standards Act</i>. It then shifted attention towards the system to achieve safety in the design, construction and occupancy of buildings. The first step towards reform was taken in 2005/06, with a comprehensive review of the need to reform the regulatory framework. In 2005/06, success was measured by achievement of this review.				
Variance Explanation N/A				
Data Sources and Issues Information was gained through: • Review of submissions made to the provincial government between 1980 and 2005. • Workshops with industry representatives to confirm issues identified and to seek concurrence on critical issues to address.				
Changes to the Measure Measure dropped in 2006/07 Service Plan because it has been achieved. This and other measures related to the new related objective "Relevant and responsive codes, standards and regulatory systems in place" were replaced in the 2006/07 Service Plan with the new measure "Safety index to be established and safety trends maintained and improved."				

Measure 4.2.2	2005/06 Target	2005/06 Actual	Variance	Target Met?
Provide updated and improved technical regulations for the minister's review annually	Refine and update regulations	2005/06 Service Plan measure was to be determined Measure replaced in the 2006/07 Service Plan		
Data Considerations/Selection Rationale Continuous improvement in technical regulatory structure is essential to allow BC to benefit fully from changes in technology and industry practice.				
Variance Explanation N/A				
Data Sources and Issues Identification of changes to recommend to the Minister occurs through discussions with the BC Safety Authority and a broad range of stakeholders concerning improvements in consistency and flexibility.				

Changes to the Measure

Discussions with the BC Safety Authority and a broad range of stakeholders concerning improvements in consistency and flexibility are ongoing. As continuous improvement is essential to allow BC to benefit fully from changes in technology and industry practice, this and other measures associated with the new related objective "Relevant and responsive codes, standards and regulatory systems in place" were replaced in the 2006/07 Service Plan with the new measure "Safety index to be established and safety trends maintained and improved."

Report on Resources

The Office of Housing and Construction Standards' budget provides funding for housing and construction standard policy development as well as policy and operations within the Residential Tenancy Branch. Housing and construction standard programs are delivered by Crown Agencies, including BC Housing and the HPO, with funding transferred from the Office of Housing and Construction Standards. Ninety-three per cent of the budget is transferred to BC Housing for housing assistance programs.



Resource Summary Table 2005/06

	Estimated	Other Authorizations	Total Estimated	Actual	Variance
Operating Expenses (\$000)					
Housing and Homelessness	207,701	500	208,201	207,498	703
Full-time Equivalents (Direct FTEs)					
Housing and Homelessness	96		82	82.05	13.95
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)					
Housing and Homelessness	556		556		
Capital Plan (\$000)					
Housing and Homelessness	556		55	53	503

Report on Regulatory Reform

In support of government's regulatory reform efforts, the Office of Housing and Construction Standards made no material changes to its regulatory count.

Appendices (Part B)

Appendix B1: List of Legislation.

- *Building Officials' Association Act*
- *Commercial Tenancy Act*
- *Community Charter* (Part of) s. 9 (1) (d)
 - Buildings and Other Structures Bylaws Regulation
- *Fire Services Act* (Part of) s. 47 (2) (g) (h)
 - BC Fire Code Regulation
- *Homeowner Protection Act*
- *Local Government Act* (Part of) s. 692, 693
 - BC Building Code Regulation
 - Water Conservation Plumbing Regulation
- *Manufactured Home Park Tenancy Act*
- *Ministry of Lands, Parks and Housing Act* (s. 5, 8.1 and 10)
- *Railway Safety Act*
 - Railway Safety Adopted Provisions Regulation
 - Administration Delegation Regulation
 - Fee Setting Criteria Regulation
 - *Railway Safety Act* Transition Regulation
- *Railway Act* (s. 14 - 25)
- *Rent Distress Act*
- *Residential Tenancy Act*
- *Safety Standards Act*
 - Administration Delegation Regulation
 - Boiler Code Adoption Regulation
 - Electrical Safety Regulation
 - Elevating Devices Safety Regulation
 - Fee Setting Criteria Regulation
 - Gas Safety Regulation
 - Power Engineers, Boiler, Pressure Vessel and Refrigeration Safety Regulation
 - Safety Standards General Regulation
- *Safety Authority Act*
- *Shelter Aid for Elderly Renters Act*

Appendix B2: Report on Performance Service Plan Goal Changes Summary.

The table below shows changes to the Ministry's vision, mission, and values.

- The **left side** reflects the 05/06 – 07/08 Service Plan Update (September 2005) **vision, mission, and values**.
- The **right side** reflects the 06/07 – 08/09 Service Plan (February 2006) **vision, mission, and values**.
- Text in **bold** represents changes.

Vision, Mission and Values 05/06 September Service Plan		Vision, Mission and Values 06/07 February Service Plan Update	
Vision	Safe and Stable Housing for all British Columbians.	Vision	British Columbians enjoy secure and affordable housing and safe buildings in which to live work and play.
Mission	To provide leadership in meeting the housing needs of all British Columbians by enabling a range of housing choices.	Mission	To provide leadership in meeting the building needs of British Columbians by: • Promoting a range of housing choices; • Developing regulations and ensuring their application; • Providing information regarding rights and responsibilities; and, • Providing mechanisms for resolving disputes.

Vision, Mission and Values 05/06 September Service Plan		Vision, Mission and Values 06/07 February Service Plan Update	
Values	The Housing Department is an organization guided by the following values: • We value the importance of housing as a home — the foundation on which to build a healthy life and a sustainable community. • We value innovation and excellence in the work we do and are accountable to ourselves and ultimately to the citizens of British Columbia. • We value strong working relationships built on open communication and shared understanding that inspires trust and confidence. • We value integrated services and partnerships that optimize resources and improve the well being of our clients and stakeholders. • We value the people we work with and the people we serve, respecting diversity and treating everyone fairly and with dignity.	Values	The Office of Housing and Construction Standards is an organization guided by the following values: • We value the importance of housing as a home — the foundation on which to build a healthy life and a sustainable community. • We value innovation and excellence in the work we do and are accountable to ourselves and ultimately to the citizens of British Columbia. • We value strong working relationships built on open communication and shared understanding that inspires trust and confidence. • We value integrated services and partnerships that optimize resources and improve the well being of our clients and stakeholders. • We proactively resolve conflicts in a neutral way, balancing the interests of our clients. • We value the people we work with and the people we serve, respecting diversity and treating everyone fairly and with dignity.

The table below shows changes to the Ministry's goals & objectives.

- The **left side** reflects the 05/06–07/08 Service Plan Update (September 2005) **goals and objectives**.
- The **right side** reflects the 06/07–08/09 Service Plan (February 2006) **goals and objectives**.
- Text in **bold** represents changes.

Goals and Objectives 05/06 September Service Plan Update		Goals and Objectives 06/07 February Service Plan	
Goal	Objective	Goal	Objective
1. BC's most vulnerable citizens have access to short and long-term social housing.	1.1 Housing and support services are integrated and targeted to those in greatest need.	1. Housing and support services are targeted to those most in need.	1.1 Housing and support services targeted to priority groups .
	1.2. Individuals in need have access to safe emergency shelter.		1.2 Individuals in need have access to emergency shelter.
			1.3 Senior renters receiving assistance in order to maintain independence.
2. Low and moderate-income households have an expanded range of housing options.	2.1. Local governments have access to information and planning tools to achieve their goals with respect to affordable housing options in their communities.	2. Low and moderate income households have an expanded range of housing options.	2.1 Local governments have access to information and planning tools to achieve their goals with respect to affordable housing options in their communities.
	2.2. Partnership opportunities that explore innovation in housing are promoted and supported.		
	2.3. Senior renters can afford to continue living independently in their own homes.		

Goals and Objectives 05/06 September Service Plan Update		Goals and Objectives 06/07 February Service Plan	
Goal	Objective	Goal	Objective
3. Landlord and tenant relationships are improved.	3.1 Landlord and tenant disputes are resolved in a timely manner.	3. Balanced landlord and tenant rights and responsibilities.	3.1 Landlord and tenant disputes are avoided or resolved in a timely manner.
			3.2 Consumer protection legislation in place for assisted living and supportive housing landlords and tenants.
4. A safe built environment where the social, economic and safety interests of participants are balanced.	4.1 Policy and legislative frameworks maintain or enhance safety, health and accessibility in the built environment.	4. Safety is achieved in the built environment.	4.1 Policy and legislative frameworks maintain or enhance safety, health and accessibility in the built environment.
	4.2 The building safety regulatory system is responsive to the changing needs of system participants.		4.2 B.C. homeowners are protected.
			4.3 Relevant and responsive codes, standards and regulatory systems in place.

The table below shows changes to the Ministry's goals & objectives.

- The **left side** reflects the 05/06–07/08 Service Plan Update (September 2005) **goals and objectives**.
- The **right side** reflects the 06/07–08/09 Service Plan (February 2006) **goals and objectives**.
- “X” identifies those measures that have been dropped in the 06/07–08/09 Service Plan.
- Text in **bold** represents new 06/07–07/08 Service Plan Performance Measures or changes to Performance Measures in the 05/06–07/08 Service Plan Update.

Goals and Performance Measures 05/06 September Service Plan Update		Goals and Performance Measures 06/07 February Service Plan	
Goal	Performance Measure	Goal	Performance Measure
1. BC's most vulnerable citizens have access to short and long-term social housing.	1.1 Develop a comprehensive provincial housing strategy. (X) Measure Achieved	1. Housing and support services are targeted to those most in need.	
	1.2 Percentage of tenants belonging to assisted priority groups.		1.1 Percentage of assisted clients belonging to priority groups .
	1.3 Number of frail and low-income senior households assisted through housing programs.		1.2 Number of senior households assisted through housing programs.
	1.4 Percentage of available shelter beds accessed.		1.3 Percentage of nights where shelters are at full capacity . 1.4 Number of units/beds created or adapted for priority clients .
2. Low and moderate-income households have an expanded range of housing options.	2.1 Percentage of local governments in communities over 100,000 that apply affordable housing planning tools and techniques.	2. Low and moderate income households have an expanded range of housing options.	2.1 Percentage of local governments in communities over 100,000 that apply affordable housing planning tools and techniques.
	2.2 TBD (X)		
	2.3 TBD (X)		

Goals and Performance Measures 05/06 September Service Plan Update		Goals and Performance Measures 06/07 February Service Plan	
Goal	Performance Measure	Goal	Performance Measure
3. Landlord and tenant relationships are improved.	3.1 Percentage of residential tenancy arbitrations scheduled to take place within 6 weeks or less.	3. Balanced landlord and tenant rights and responsibilities.	3.1 Percentage of residential tenancy arbitrations scheduled to take place within 6 weeks.
	3.2 Percentage of residential tenancy disputes resolved without arbitration. (X)		
			3.2 Legislation in place to extend protection to landlords and tenants in assisted living and supporting housing arrangements.
4. A safe built environment where the social, economic and safety interests of participants are balanced.	4.1 Objective-based BC Building and Fire Codes adopted. (X)	4. Safety is achieved in the built environment.	4.3 B.C. Building Code and B.C. Fire Code adopted in an objective-based format.
	4.2 Percentage of code users benefiting from objective-based BC Building and Fire Codes. (X)		
	4.3 Safety trends by sector are maintained or improved. (X)		4.2 Safety index to be established and safety trends maintained or improved.
	4.4 Prepare recommendations for modernizing and rationalizing the building safety regulatory system.		
	4.5 Provide updated and improved technical regulations for minister's review annually.		
			4.1 Home warranty claims within industry norms.

Note: **X** Symbol indicates measure has been dropped.





Forest Practices Board

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For more information on the Forest Practices Board, contact:

Forest Practices Board

PO BOX 9905

STN PROV GOVT

VICTORIA BC

V8W 9R1

or visit our website at

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Message from the Chair and Accountability Statement

The Board's principal interest in the 2005-06 year has been the implementation of the *Forest and Range Practices Act*. While the Board's main function of audits, complaint investigations, special investigations and appeals have been continued, the regulatory context has changed. The province is making the transition from a prescriptive *Forest Practices Code* to a results-based system that on the one hand is reliant on the professional judgment of forest professionals and on the other is dependent on the ability to measure forestry results objectively. Where, in the past, the Board examined practices to determine if they were compliant with regulations under the code, we are now developing procedures to measure the achievement of stewardship objectives set by government for a wide range of forest resources.

Assessing results, instead of compliance with rules, brings with it a number of significant issues. First, the criteria and indicators of effective forestry performance have to be scientifically determined. Second, accurate means of measuring results in the field have to be developed. Thirdly, the measured results on the ground have to be reliably linked to the forest practices of individual forest licensees. The Board is working actively with the Ministry of Forests and Range, Ministry of Environment, university researchers and licensee foresters to develop auditing and investigation processes that address these issues.

As the *Forest and Range Practices Act* is coming into force, the province is also faced with numerous significant forest practice challenges. Salvage and recovery of Mountain Pine Beetle damaged forest, rehabilitation following large scale wildfires, dealing with rapid expansion of resource access roads, regulation of a growing number of smaller licensees with temporary tenures, managing habitats for species at risk and planning ahead for the consequences of climate change are some of the major issues affecting forest practices that are being tracked by the Board.

Through all these changes and challenges, the cumulative record of forest practice audits has been substantially positive. Forest licensees are conducting operations in compliance with the provisions of the *Forest Practices Code*, and when examined under the new regime these are proving to be effective in providing stewardship of resources. The question that will likely prove to be the most interesting in the future is how we are to measure and manage the overall cumulative impact of all resource activity on the same land base, putting forestry operations into a realistic perspective alongside their industrial counterparts in other resources sectors such as agriculture, energy, mining and recreation.

The 2005/06 Forest Practices Board Annual Service Plan Report was prepared under my direction and in accordance with the *Budget Transparency and Accountability Act*. The report compares the actual results to the expected results identified in the Board's 2005/06 Service Plan Update. I am accountable for those results as reported.

A handwritten signature in dark ink, reading "Bruce Fraser". The signature is fluid and cursive, with the first name "Bruce" being more prominent than the last name "Fraser".

Bruce Fraser, Ph.D.
Forest Practices Board Chair

June 30, 2006



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Highlights of the Year

- The Board chair and staff were guest speakers at 13 conferences and workshops.
- The Board dealt with 88 concerns (where members of the public contacted the Board with a problem). Most were dealt with by asking the person to first try to resolve their concern by contacting the regulatory agency that deals with the matter. Many concerns dealt with matters that the Board has no authority to investigate. In those cases, the person was directed to an agency that did have the jurisdiction, such as the Ombudsman.
- The Board reported out on 16 complaint investigations and began 11 new complaint investigations.
- The Board released the findings of 10 audits. Results for another five audits started during the fiscal year are pending.
- The Board reviewed 160 penalty determinations made by Ministry of Forests' district managers, reviewed 17 appeals, and joined four appeals to the Forest Appeals Commission on behalf of the public interest.
- The Board published several reports addressing issues of public concern, including safety of bridges on forest service roads, the reduction in landslides caused by forestry activities, access management issues on forestry and other resource roads, and post-wildfire hazard assessment. Special investigations of forest fuel management, mountain pine beetle salvage and re-establishment of forests following logging were started during the fiscal year.

Purpose, Vision, Mission and Values

Purpose

The Forest Practices Board was created under the *Forest Practices Code of British Columbia Act* (the Code) as an independent watchdog for sound forest practices in B.C.'s public forests. The mandate of the Forest Practices Board is to provide independent assurance, to both the British Columbia public and the international marketplace, that forest and range licensees are carrying out sound practices and complying with legal requirements. Its mandate is also to ensure that resource ministries are appropriately monitoring and enforcing legislation.

The Board audits tenure holders and government ministries for compliance with and enforcement of the Code and the *Forest and Range Practices Act* (FRPA); carries out special investigations and issues reports as appropriate; investigates concerns and complaints from the public; and participates in appeals to the Forest Appeals Commission.

Vision

Forests that are soundly managed to sustain the full range of forest values and forest resources for British Columbians.

Mission

The Board serves the public interest as the independent watchdog for sound forest and range practices in British Columbia.

Values

The Board:

- acts on behalf of the public's interest, not those of any single group;
- is straightforward in its approach;
- emphasizes solutions over assigning blame;
- behaves in a non-adversarial, balanced manner;
- treats all people with respect, fairness and sensitivity;
- performs in a measured, unbiased and non-partisan manner;
- carries out its mandate with integrity and efficiency;
- provides clear and concise reports to the public;
- bases actions and decisions on knowledge, experience and common sense; and
- is accessible and accountable.

Strategic Context

The Board remains objective and independent from industry, environmental groups and government. Board members have diverse background and experience, allowing the Board to fairly represent the public interest. The expertise of the Board and its staff is recognized by stakeholders, and it has well-defined processes for audits and investigation.

The Forest Practices Board is committed to informing the public about forest and range practices through its independent auditor, complaint response, and special investigation roles. It is also mindful that this function is important for positioning BC forest products in the international market. The Board's capacity to fulfil these important and constructive roles during 2005/06 was affected by a changing environment as follows:

Mountain Pine Beetle

Government has substantially increased the allowable annual cut, on the order of 5 million cubic metres, to respond to the mountain pine beetle epidemic. This vastly expanded harvest increases the number and scope of operations that need to be audited, particularly the extensive salvage operations now in process. There are major public questions about reforestation, conservation of a broad range of non-timber forest resources, management of watersheds, and design of a more resilient forest for the future. These issues were of intense public interest and a major focus of the Board.

Forest Fires

Forest fuel accumulation, from both beetle-killed timber and ongoing fire suppression, has led to increased forest fire risk, particularly for communities in the wildland/urban interface. The impact of forest practices on fuel accumulation remains a focus of public concern. The issue extends to reforestation, managing fuels through controlled burning, and conserving biodiversity by managing fire frequency in natural and plantation forests. The Board initiated a project in 2005/06 examining the issue of forest fuels.

New Licensees

The re-allocation of timber under the Forest Revitalization Program is introducing an increased number of First Nations, small business and community operators with limited professional forest management experience. Forest practices by these newer operators are subject to the same rules and public expectations as for the more experienced operators. Board audits and investigations placed increased emphasis on these new licensees.

Threatened Species

A recurring theme of public concern is the conservation or recovery of threatened species. The Board is frequently called upon to investigate the effects of forest practices on wildlife habitat. This concern is growing and the Board has been increasing its effort to look at these issues.

Forest and Range Practices Act

Forest practices legislation has shifted emphasis from compliance with prescriptive rules, to implementation of strategies for resource value objectives specified by government. The Board has been revising its audit and investigation systems, to recognize the move toward objectives-based legislation.

Third-Party Certification

The forest industry in British Columbia is being challenged to adopt one or more of the major forest certifications schemes. This is influencing the evolution of forest company practices. The schemes are competitive and make varying claims to the marketplace about sustainability, public consultation and First Nations sensitivity. Some licensees pursuing third-party certification are now entering into private agreements with interest groups, outside of public planning processes, to decide where and how forest practices will occur. The implications for achieving the government's objectives are uncertain. The Board continued to provide independent assurance that certified licensees are effective in maintaining environmental values and achieving government objectives.

Service Delivery and Core Business Areas

Service Delivery

The Board's mandate continues under the *Forest and Range Practices Act* (FRPA), which enables the Board to focus on the effectiveness of forest practices in achieving objectives, legislated by government, for forest resource values.

Legislation ensures Board independence from licensees and government. While the Board submits reports to the Ministers of Forests and Range (MOFR), Environment, Agriculture and Lands, and Energy, Mines and Petroleum Resources, its reports are not provided to government for revision or comment in advance of public release. When the Board deals with an audit of or complaint about a government agency, that agency receives the same level of information about the Board's preliminary findings as any other auditee or complaint subject.

The Board's funding is determined directly by Treasury Board, and is distinct from the MOFR budget.

Core Business Areas Overview

The Board's core business areas are:

Conducting and publishing independent public reports on audits and special investigations

The Board provides the public with objective information about the state of forest and range practices, validates sound practices and recommends improvements based upon direct field observation, consultation and research.

Conducting complaint investigations and administrative appeals

The Board provides a venue to address public complaints and concerns regarding forest practices.

Core business areas arise from the Board's legislated mandate. With regard to forest and range planning and practices, FRPA states that the Board:

- must carry out periodic independent audits to determine compliance and the appropriateness of government enforcement
- may carry out special investigations
- may make a special report and comment publicly
- must deal with complaints from the public
- may undertake appeals

Functions are performed by professional staff and contractors under the guidance of an independent Board.

Report on Performance

Performance Plan Summary Table

Synopsis of Board Performance Measure Results for Board Goal 1

Five Great Goals	Board Mission			
	The Board serves the public interest as the independent watchdog for sound forest and range practices in BC.			
	Board Goal	Board Objectives	Performance Measures	Results
Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.	1. Through its program of audits and investigations, the Board will produce relevant, accurate and objective reports on forest practices in the Province of British Columbia.	Conduct and publish independent public reports on audits of both industry and government performance, contributing to continuous improvement in forest practices.	Eight quality-assured audit projects completed and published.	← ✓✓
			Bulletin on annual summary of audit trends published.	← △
			Positive trend in the number of audits with findings that are in compliance with FRPA requirements or that find practices that are demonstrably achieving objectives set by government.	← ✓
		Contribute to the development of world class forest practices auditing.	Audits explicitly incorporate information arising from private sector certification and sustainable forest management planning.	← ✓
			First Nations engaged in audit program development.	← ✓
			Agencies supported in development of audit approaches and programs.	← ✓
			High quality forest practice audit systems are developing in the province which expand the degree and compatibility of public and private market assurance mechanisms.	← ✓
		Assess the efficacy of FRPA in achieving desired results on the ground.	Audits conducted and published using prototype criteria and indicators.	← ✓
			Published assessment reports on FRPA implementation, particularly the efficacy and measurability of first generation FSPs.	← △
			Scientifically derived criteria and indicators are being widely used.	← ✓
			Forest Stewardship Plans are providing explicitly measurable results and delivery strategies that are effectively assessed by criteria and indicators based audits.	← N/A
		Conduct independent investigations and publish special reports on issues of significant public importance.	Three special investigations completed and published that deal with issues of major public importance.	← ✓
			Forest practices improvement is occurring to address the issues raised and recommendations made by the Board in its special reports.	← ✓

✓✓ Exceeded target. ✓ Achieved target. △ Target mostly achieved. ✗ Missed target. N/A — Not Applicable.

Where targets were not achieved, further details are provided in the following section of the report.

Synopsis of Board Performance Measure Results for Board Goal 2

Five Great Goals	Board Mission			
	The Board serves the public interest as the independent watchdog for sound forest and range practices in BC.			
	Board Goal	Board Objectives	Performance Measures/ Targets	Results
Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.	2. Through its program of complaint investigations and administrative appeals, the Board will provide the public with a fair and effective means to bring forward their concerns about forest practices.	The Board will provide an easily accessible avenue for members of the public to raise concerns and have them addressed in a sensitive, timely and efficient manner.	The Board processes public complaints promptly with a normal completion schedule of 7-10 months.	← X
			Participants to a complaint are satisfied that the matter was handled objectively and fairly by the Board regardless of the Board's findings and conclusions with respect to the complaint itself.	← ✓
		The Board will monitor, and appeal where appropriate, administrative penalties that have a bearing on the public interest in forest practices and will also provide an opportunity for the public to influence the process of appeal of administrative decisions.	About 200 determinations monitored and further selected for Board attention.	← ✓
			6-10 administrative appeals enjoined by the Board.	← △
			Board response to administrative penalties and appeals is contributing to the effective definition and implementation of forest practices regulation in the province.	← X
			Public access is enhanced by allowing complainants an opportunity to be heard in the formal appeal process.	← N/A

✓✓ Exceeded target. ✓ Achieved target. △ Target mostly achieved. X Missed target. N/A — Not Applicable. Where targets were not achieved, further details are provided in the following section of the report.

Goals, Objectives, Strategies and Performance Measures

Board Goal 1

Through its program of audits and investigations, the Board will produce relevant, accurate and objective public reports on forest practices in the Province of British Columbia.

The goal supports the Board's core business area of:

Conducting and publishing independent public reports on forest practice audits and investigations.

The Board provides the public with objective information about the state of forest practices, validates sound practices and recommends improvements based upon direct field observation, consultation and research.

Objective 1: Conduct and publish independent public reports on audits of both industry and government performance, contributing to continuous improvement in forest practices.

The Board conducts an annual program of audits of both industry licensee and government operations. Auditees are randomly selected to remove potential bias and auditees with a positive performance record are removed from the audit population for a period of five years. The audit program consists of a combination of:

- Compliance and pilot thematic effectiveness audits of major licences, BC Timber Sales (BCTS), as well as small scale tenures. Audits could be of a single licence or of multiple licensees.
- There may be an audit on the appropriateness of government's enforcement as a subset of one of the above audits or as a stand alone audit of a forest district.
- Annual compliance and enforcement audits pursuant to the Nisga'a treaty.

While audits in the past have been conducted primarily to assess compliance with the requirements of the Code, the Board is actively developing its capacity to conduct thematic audits, which assess the effectiveness of forest practices in achieving objectives set by government for the resources values specified in FRPA. Ongoing analysis of audit results and exit interviews with licensees will help the Board assess its contribution to continuous improvement of forest practices in British Columbia.

Performance Measures:

Performance Measures	Benchmark	2005/06 Target	2005/06 Actual	Target Met?
Average number of quality-assured audit projects completed and published.	8	8	10	✓✓
Bulletin on annual summary of audit trends published.	1	1	A report on audit trends was published in April 2006, after the close of the reporting period.	△
Number of audits with findings that are in compliance with FRPA requirements or that find practices that are demonstrably achieving objectives set by government as measured by scientific criteria and indicators.	Positive results trend	Positive results trend	All audits found compliance with FRPA, with two audits identifying areas requiring improvement.	✓

✓✓ Exceeded target. ✓ Achieved target. △ Target mostly achieved. ✗ Missed target. N/A — Not Applicable.

Objective 2: Contribute to the development of world class forest practices auditing.

The Board is cooperating with parties that are advancing the field of forest practices auditing. Initiatives include working with industry to augment the Board's public assurance auditing with the results of the private sector forest certification auditing being widely adopted in the province in recent years. This is intended to increase public assurance about the validity of forest practices while reducing the potential for duplication of effort.

The Board is working specifically with First Nations and resource agencies in the development of methodology, expertise, and capacity building in conducting audits intended to provide public and market assurance. Board personnel are publishing audit and investigation manuals and participating in relevant workshops and conferences.

Performance Measures

Performance Measures	Benchmark	2005/06 Target	2005/06 Actual	Target Met?
Audits explicitly incorporate information arising from private sector certification and sustainable forest management planning.	Active discussions with audited licensees.	Experimental audits with forest stewardship plan adopters.	Experimental audits completed for visual resource management and riparian management.	✓

✓✓ Exceeded target. ✓ Achieved target. △ Target mostly achieved. ✗ Missed target. N/A — Not Applicable.

Performance Measures	Benchmark	2005/06 Target	2005/06 Actual	Target Met?
First Nations engaged in audit program development.	Meeting with First Nations Summit to explore collaboration. MOU signed with Cowichan Tribes. Initial discussions with Nisga'a Lisims government.	Continuing engagement with interested First Nations.	Discussed building audit capacity with Nisga'a.	✓
Agencies supported in development of audit approaches and programs.	FRPA Evaluation Team. Joint meeting with Environmental Protection Division of MoE. Oil and Gas Commission initial discussions.	Continuing active collaboration with sister agencies.	Continued to collaborate with MOFR on the development of criteria and indicators.	✓
High quality forest practice audit systems are developing in the province which expand the degree and compatibility of public and private market assurance mechanisms.	Discussions among the audit partners are proceeding positively.	Experimental collaboration trials are being conducted and published.	Experimental audits completed for visual resource management and riparian management.	✓

✓✓ Exceeded target. ✓ Achieved target. △ Target mostly achieved. ✗ Missed target. N/A — Not Applicable.

Objective 3: Assess the efficacy of FRPA in achieving desired results on the ground.

The Board is working with government, industry and post-secondary institutions to develop and field-test scientific audit criteria and indicators, which will provide an objective means of assessing the effectiveness of forest practices. This supports the intent of the *Forest and Range Practices Act* to place greater reliance on forest licensees and their professionals for achieving results rather than confining their efforts to achieving compliance with prescriptive rules. The Board will also be monitoring public concerns related to Forest Stewardship Plans (FSPs) as they become available. The key issue will be to evaluate whether FSPs are sufficiently detailed to be measurable, and once measured, to determine whether they are an effective means for licensees to achieve the objectives set by government under FRPA.

Performance Measures

Performance Measures	Benchmark	2005/06 Target	2005/06 Actual	Target Met?
Number and range of audits conducted and published using prototype criteria and indicators.	Audits published using first generation criteria and indicators for soils, riparian, visuals and stand level biodiversity.	Continuing pilot use of first generation criteria and indicators sets developed by MoFR.	Experimental audits completed for visual resource management and riparian management.	✓
Published assessment reports on FRPA implementation, particularly the efficacy and measurability of first generation FSPs.	Initial limited set of FSP's analyzed for content. Work with forest industry associations to assess industry approach to development of FSPs.	First Assessment Report.	Report published in May 2006, after close of reporting period.	△
Scientifically derived criteria and indicators are being widely used by industry, agencies, the Board, ENGOs and First Nations to assess the effectiveness of forest practices in achieving the objectives set by government for FRPA and certification specified values.	Thematic categories of criteria and indicators are agreed to and systematic development and field application is taking place.	Practical convergence of criteria and indicators sets is occurring so that effectiveness auditing is becoming placed on a generally agreed upon scientific assessment footing.	Audits using criteria and indicators completed for visual resource management and riparian management, with audits for biodiversity and water quality underway.	✓
Forest Stewardship Plans are providing explicitly measurable results and delivery strategies that are effectively assessed by criteria- and indicators-based audits.	Some of the initial FSPs go beyond default requirements to include results statements that are sufficiently explicit to enable criteria- and indicators-based audits.	FSPs from major licensees are being developed to reflect a combination of criteria and indicators arising from certification and FRPA based public sources.	The Board could not test for the use of criteria and indicators in FSPs, as none of the licensees randomly selected for audit had approved FSPs.	N/A

✓✓ Exceeded target. ✓ Achieved target. △ Target mostly achieved. ✗ Missed target. N/A — Not Applicable.

Objective 4: Conduct independent investigations and publish special reports on issues of significant public importance.

The Board will annually identify issues of major public importance and of high significance for public confidence in the management of B.C.'s public forests. These issues may arise from prevailing environmental conditions such as major forest fires or insect infestations, from public concerns such as conserving endangered species or protecting community watersheds, or from technical issues such as the management of roads and bridges or riparian areas. The Board systematically tracks government and industry responses to published recommendations.

Performance Measures

Performance Measures	Benchmark	2005/06 Target	2005/06 Actual	Target Met?
Number of special investigations completed and published that deal with issues of major public importance.	Current Board focus has been on Mountain Pine Beetle management, endangered species, fire rehabilitation, terrain stability, and non-timber forest products.	At least 3 major topical reports: Projected topics include forest practices in domestic watersheds, fuel management, road de-activation and access management, reforestation success.	Four reports published dealing with issues of major public importance: post-wildfire hazard, Forest Service Road maintenance, access management, and landslides.	✓
Forest practices improvement is occurring to address the issues raised and recommendations made by the Board in its special reports.	Government and industry responses to Board recommendations are positive and forthcoming according to the Board tracking procedure as reported in our Annual Report.	Government and industry responses to Board recommendations are positive and forthcoming according to the Board tracking procedure as reported in our Annual Report.	Responses to Board recommendations included: decommissioning of Kemess bridges; government funding of non-timber forest products research projects; species at risk coordinator (SARCO) established and funded; some actions taken to protect caribou; cattle/range recommendations discussed and an approach agreed to; FSR bridges recommendations implemented.	✓

✓✓ Exceeded target. ✓ Achieved target. △ Target mostly achieved. ✗ Missed target. N/A — Not Applicable.

Board Goal 2

Through its program of complaint investigations and administrative appeals, the Board will provide the public with a fair and effective means to bring forward their concerns about forest practices.

The goal supports the Boards core business area of:

- Conducting complaint investigations and administrative appeals.
- The Board provides a venue to address public complaints and concerns regarding forest practices.

Objective 1: The Board will provide an easily accessible avenue for members of the public to raise concerns and have them addressed in a sensitive, timely and efficient manner.

The Board responds to public complaints by assessing the scope and substance of the complaint, assessing its relevance to the Board's mandate and assigning an investigator to work with all affected participants. The Board deals with all participants in a transparent and non-adversarial manner and is committed to considering all complaints carefully and reporting complaint findings to the public. This work is done with the goal of seeking resolution to the issues by the participants themselves, where feasible. The Board makes every effort to deal with complaints promptly and efficiently, but must also proceed carefully in dealing with complex issues and be sensitive to the operational priorities and time constraints of the participants.

Performance Measures

Performance Measures	Benchmark	2005/06 Target	2005/06 Actual	Target Met?
The Board processes public complaints promptly with a normal completion schedule of 7–10 months.	80% will be completed within 7 months.	80% will be completed within 7 months.	35% were completed within 7 months. Several complaints involving complex issues required longer research periods or demanded more extended dispute resolution efforts. An ongoing review of the complaint investigation process is expected to result in improved performance.	X
Participants to a complaint are satisfied that the matter was handled objectively and fairly by the Board regardless of the Board's findings and conclusions with respect to the complaint itself.	Representations and participant surveys have been conducted and residual issues dealt with to the reasonable satisfaction of the participants.	Representations and participant surveys will be conducted and residual issues dealt with to the reasonable satisfaction of the participants.	A participant questionnaire was made available online. 16 responses received from complaint participants, of which 12 thought investigations were fair and unbiased.	✓

✓✓ Exceeded target. ✓ Achieved target. △ Target mostly achieved. X Missed target. N/A — Not Applicable.

Objective 2: The Board will monitor, and appeal where appropriate, administrative penalties that have a bearing on the public interest in forest practices and will also provide an opportunity for the public to influence the process of appeal of administrative decisions.

The Board monitors the flow of administrative penalties related to forest practices and may initiate or participate in administrative appeals when it believes it is in the public interest to do so. Notably, this would include administrative penalties or appeals that address fundamental forest practice issues which have been raised in Board work or interpretation of important provisions of legislation. The Board also maintains an interest in appeals which contribute to the growing body of practice surrounding the introduction of the results-based FRPA.

Performance Measures

Performance Measures	Benchmark	2005/06 Target	2005/06 Actual	Target Met?
Number of determinations monitored and further selected for Board attention.	Over 200 administrative determinations examined for potential intervention by the Board.	Variable depending on circumstances but in the 200 range.	All of the 160 administrative determinations provided to the Board were examined.	✓
Number of administrative appeals enjoined by the Board.	6 Forest Appeal Commission appeals enjoined judged to be of sufficient public interest. One case argued before the Supreme Court of Canada is being monitored.	Variable depending on circumstances but in the 6–10 range.	Four FAC appeals were judged to be of sufficient public interest and joined by the Board.	△
Board response to administrative penalties and appeals is contributing to the effective definition and implementation of forest practices regulation in the province.	The substance of Board positions taken in appeals before the FAC is acknowledged and incorporated in the eventual decisions.	The substance of Board positions taken in appeals before the Forest Appeal Commission is acknowledged and incorporated in the eventual decisions.	FAC decided on only one appeal that was joined by the Board, where the Board argued for setting a high standard for the “due diligence” defense available under the <i>Forest and Range Practices Act</i> . The FAC rejected the Board’s arguments.	✗
Public access is enhanced by allowing complainants an opportunity to be heard in the formal appeal process.	Persons engaging in the appeal process have found the Board interventions useful according to participant surveys.	Persons engaging in the appeal process have found the Board interventions useful according to participant surveys.	Participants were not surveyed, as the FAC has decided on only one recent appeal joined by the Board.	N/A

✓✓ Exceeded target. ✓ Achieved target. △ Target mostly achieved. ✗ Missed target. N/A — Not Applicable.

Report on Resources

Resource Summary 2005/06

	Estimated	Other Authorizations	Total Estimated	Actual	Variance
Operating Expenses (\$000)					
Total	3,607	0,000	3,607	3,548	(59)
Full-time Equivalents (FTEs)					
Total	27	0	27	23	4
Ministry Capital Expenditures (\$000)					
Total	100	0	100	98	2



*Ministry of
Health*

**2005/06
Annual Service Plan Report**



The Best Place on Earth

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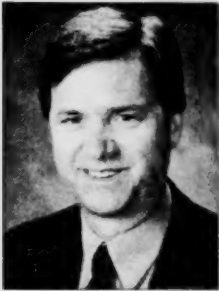
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Ministry of Health

visit our website at
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Message from the Minister and Accountability Statement

I am pleased to present the 2005/06 Annual Service Plan Report for the Ministry of Health. This report details the health system's performance in delivering high quality health services to our citizens, and provides information on the many health system innovations and advances that have occurred across the Province.

Our work over the past year has been guided by our government's Five Great Goals for a Golden Decade. Health is a key component of those goals, and our vision of a modern health system is one that supports British Columbians across their life span, whether they need support to stay healthy, get better from an illness or injury, live with and manage a chronic disease or disability, or cope with the end of life. Our commitment to health care was supported in 2005/06 by a record \$11.4 billion health budget, an increase of over \$3 billion from 2000/01. This report shows how this funding was strategically invested to provide services and foster innovation across the continuum of care.

In 2005/06 we expanded ActNow BC, the most comprehensive health promotion program in North America, to help people enjoy healthy lifestyles and the benefits of healthy living. At the same time, we also worked to protect British Columbians from preventable illnesses by expanding immunization programs and by monitoring and safeguarding against the outbreak of diseases like avian influenza and West Nile virus.

The Ministry also continued its commitment to providing timely access to needed health services when people do get sick or injured. In 2005/06, the Ministry made significant investments to improve access to a range of services, including implementing innovative approaches to provide more hip and knee replacements for British Columbians. In addition, we continued to work to ensure our hospitals and emergency rooms meet the needs of patients when they are required.

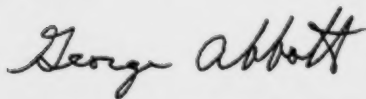
In 2005/06 we expanded our strategies to improve the quality and safety of services, particularly for people with chronic diseases, mental health and addictions patients, and those at the end of life. We also continued the renewal of residential, home and community care to better meets the needs of modern British Columbians. In this area we continued to work toward completing 5,000 new residential care, assisted living and supportive housing with care beds by December 2008.

This annual report also provides information on the important strategies the Ministry undertook in 2005/06 to improve the overall efficiency and sustainability of our public health care system. The Ministry has made significant investments in health research to improve care, and has made good progress on its Provincial eHealth strategy which is utilizing advances in technology and information systems to allow services to be delivered more efficiently and safely. We also implemented many health human resource strategies to ensure British Columbia has enough health professionals to deliver high quality services today and in the future. We increased training opportunities in health

professions and expanded programs to support foreign educated health professionals to work in British Columbia. In addition, we successfully reached new labour agreements with professionals and workers across the health system which represents a tremendous opportunity to work together to improve health services for British Columbians.

Overall, British Columbia has made tremendous progress in redesigning the health system, and in 2005/06 was recognized by both the Conference Board of Canada and Cancer Advocacy Coalition as national leaders in health care. The Conference Board rated B.C. as having the best overall health system performance in Canada, while the Cancer Advocacy Coalition noted our Province provides the timeliest access to cancer drugs and has the best cancer outcomes in the country. British Columbians can be proud of our provincial health system, and know that we are continuing to make the right investments to ensure they continue to receive the best care in Canada.

This 2005/06 Ministry of Health Annual Service Plan Report compares the actual results to the expected results identified in the Ministry's 2005/06 – 2007/08 Service Plan Update September 2005. I am accountable for those results as reported.



Honourable George Abbott
Minister of Health

June 30, 2006

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Highlights of the Year

In 2005/06, the Ministry of Health invested over \$11.4 billion to meet the health needs of British Columbians. This investment was made across a wide spectrum of programs and services aligned with the Ministry's goals to improve health and wellness, deliver high quality patient care, and make the publicly funded health system sustainable over the long term. Following are some of the achievements of the Ministry of Health in 2005/06.

Improving the Health and Wellness of British Columbians

- Invested in ActNow BC initiatives to support healthy living and physical fitness in British Columbia. In 2005/06, initiatives included:
 - A \$30 million investment in health promotion through partnerships with the BC Healthy Living Alliance and 2010 Legacies Now.
 - \$4.2 million to provide communities throughout B.C. with information, resources and support to encourage healthy lifestyles.
 - A School Fruit and Vegetable Program which provides one serving of B.C. grown fruits or vegetables to children twice a week at ten elementary schools.
- Continued strategies to reduce tobacco use across British Columbia. In September 2005, the Supreme Court of Canada ruled unanimously in favour of B.C.'s effort to hold the tobacco industry to account for practices that have compromised the health of British Columbians. In early 2006 changes were made to the *Tobacco Sales Act* to improve compliance and make it even more difficult for youth to access tobacco products.
- Updated the *BC HealthGuide* handbook and made it available at pharmacies and government agent offices across the province, as part of government's wellness strategy to improve health care advice and information. The updated handbook includes new and medically reviewed information as well as expanded health tips for seniors.
- Released a new edition of *Baby's Best Chance*, an easy-to-read resource to assist parents from pregnancy through birth, and in the parenting of a baby up to six months of age.
- Introduced a new \$73 million program to provide hearing screening, sight testing and dental checks for children before the age of six.
- Promoted breast cancer detection through support for an awareness campaign designed to increase the number of women having mammography screenings. The Province's \$1 million investment provided support to the Canadian Breast Cancer Foundation B.C./Yukon chapter to fund its GO HAVE ONE campaign.
- Introduced an innovative CPR training program in 20 high schools throughout British Columbia. Close to 125 high school teachers learned vital CPR skills from B.C. paramedics — knowledge the teachers were able to pass on to nearly 6,000 grade 10 students.
- Increased the number of flu vaccines ordered by 10 per cent (1.28 million doses) to protect the most vulnerable British Columbians during flu season.

Providing High Quality, Patient Centred Care

- Took action to reduce wait times for hip and knee surgeries while building long-term capacity in the health care system that will maximize the number of surgeries through a \$60.5 million wait time management strategy. The strategy included: funding to immediately address existing backlogs; a new Centre for Surgical Innovation at UBC Hospital; a Provincial Surgical Patient Registry; and a Research Centre for Hip Health at Vancouver General Hospital.
- Increased surgeries at B.C. Children's Hospital. The Province's only specialized pediatric facility implemented innovative measures that will add 1,000 elective pediatric surgeries a year, further reducing wait times and improving timely access to surgery for patients.
- Invested \$1.3 million in the University of Northern British Columbia to assist Northern Health in reducing the incidence of cancer and improving survival rates for northern residents.
- Opened the Province's first publicly funded PET/CT scanner, which advances cancer care and treatment for B.C. citizens. The PET (positron emission tomography) system is a non-invasive, whole-body imaging technique. When combined with computed tomography (CT), it allows physicians to more accurately diagnose and manage disease, particularly cancer.
- Provided access to a breakthrough therapy for breast cancer patients. The Ministry, in partnership with the Provincial Health Services Authority and the BC Cancer Agency, provided an \$8 million funding commitment for Herceptin. In clinical trials, patients treated with Herceptin after completing chemotherapy had their rate of cancer recurrence reduced by more than half, and had improved survival rates. B.C. was the first province to approve and cover the cost of the drug for all eligible breast cancer patients.
- Enhanced maternity care support and access to health care for rural women through a \$3.1 million investment.
- Provided \$3.5 million to expand diagnostic and assessment services for children with special needs, including those with Fetal Alcohol Spectrum Disorder.
- Added new drugs for PharmaCare coverage that will help patients with diabetes, rheumatoid arthritis, glaucoma, migraines and high blood pressure. The BC PharmaCare program is one of the most comprehensive publicly funded drug benefit programs in the country. Decisions about drug coverage are based on compelling scientific evidence that clearly shows a medication is safe, cost-effective and improves patient outcomes.
- Targeted \$7 million in additional funding and new initiatives to continue the fight against crystal meth, including new money for communities to fight the drug at the local level, a public awareness campaign, and the expansion of treatment across the province.
- Began construction on more than 25 facilities for seniors and persons with disabilities. These included new assisted living units, residential care units and beds, hospices and campuses of care.

A Sustainable, Affordable, Publicly Funded Health System

- Created a stronger, better relationship with labour. In late 2005/06 the Province reached agreements with all the health sector bargaining associations as well as the British Columbia Medical Association. In addition to the collective bargaining process, government and association representatives held a series of policy discussions which have strengthened cooperation and ensured the labour agreements reflect the current concerns and interests of all parties. These joint policy tables will continue to meet and work together throughout the duration of the negotiated agreements.
- Continued to expand education opportunities for doctors, nurses and other health professionals to ensure there are enough health workers to meet British Columbians' needs. In 2005/06 the Ministry also expanded residency positions for foreign-trained physicians, and introduced measures through the Provincial Nominee program to expedite immigration processes for foreign health professionals.
- Graduated the first class of Nurse Practitioners in British Columbia in May 2005. Nurse Practitioners are Registered Nurses with advanced education and skills, and will be an important resource in delivering care to British Columbians.
- Invested in new and improved health facilities across the Province, including helping address emergency department congestion at Surrey Memorial Hospital by adding a minor treatment unit adjacent to the emergency room (\$4.8 million); redeveloping and expanding surgical capacity at Nanaimo Regional General Hospital (\$23 million); upgrading emergency and intensive care services at the Mills Memorial Hospital in Terrace (\$1.9 million); building a new 44-bed tertiary mental health facility located on the grounds of the Royal Inland Hospital in Kamloops (\$17 million); and expanding the mental health program by 15 beds at St. Paul's Hospital in Vancouver (\$4.2 million).
- Launched a major eHealth initiative to modernize health system information technology and help health professionals deliver better, faster and safer care. Through a partnership with Canada Health Infoway, up to \$150 million will be invested in eHealth initiatives between 2005/06 and 2008/09.
- Invested in priority areas of research to improve population health and the delivery of health services. Investments include:
 - \$10 million in funding to help establish three new research chairs and a new Institute of Mental Health at UBC.
 - \$2 million through the Women's Health Research Institute at BC Women's Hospital and Health Centre to fund investigation into health issues unique to women.
 - \$6.1 million to open the Centre for Blood Research at UBC.
 - \$100 million to the Michael Smith Foundation for Health Research to support B.C.'s best and brightest health researchers.
- Improved Medical Service Plan and PharmaCare registration and billing services through a service agreement with Health Insurance BC. By the end of 2005, service levels were among the best on record.

Recognition as Leaders in Health Service Delivery

British Columbia has recently been recognized as a leader in health service delivery in Canada. The Ministry is pleased to receive this positive acknowledgement of the B.C. health system, and is particularly proud the recognition has been for work spanning the continuum of health services. This indicates we are doing well in achieving our vision of a health system that supports people across their life spans.

Recent acknowledgements of B.C.'s health system include:

- *Healthy Provinces, Healthy Canadians: A Provincial Benchmarking Report* released by the Conference Board of Canada that rated British Columbia as having the top ranked health system in the country. The report compared and evaluated the performance of provincial health care systems in Canada based on 70 comparable health indicators.
- The Cancer Advocacy Coalition, an independent Toronto-based cancer advocacy group, noted in its annual evaluation of cancer system performance that B.C. has the best cancer outcomes and lowest cancer mortality in Canada. The report found B.C. has the best-funded and most timely access to cancer drugs within a strong, well-organized, population-based cancer control program coordinated by the BC Cancer Agency.
- The Public Health Association of Canada awarded British Columbia the Ron Draper Health Promotion award for the Province's ActNow BC initiative. The Ron Draper award is given for making a significant contribution to health promotion by working in the community to build healthy public policy, create environments that support health, enable community action, enhance personal skills, and/or re-orient health services.
- The New Health Professionals Network, a national organization representing over 25,000 health students, interns and residents, recognized British Columbia with a Celebration of Medicare award for an innovative palliative care service. The award was presented for the Fraser Health Authority and BC NurseLine's new program that provides 24 hour phone access to specialized palliative care nurses to provide advice to anyone caring for a terminally ill person.

Purpose, Vision, Mission and Values

Purpose

The Ministry of Health is responsible for British Columbia's health system, with a mandate to guide and enhance the Province's health services to ensure British Columbians are supported in their efforts to maintain and improve their health. The B.C. health system is one of the Province's most valued social programs as it touches all British Columbians' lives — at some point virtually every person in the Province will access some level of health care or health service. Furthermore, good health is critical to overall well-being because it enables people to enjoy their lives to the fullest, take advantage of education and employment opportunities, and participate fully in society and the economy.

Vision, Mission and Values

Vision

A health system that supports people to stay healthy, and when they are sick provides high quality publicly funded health care services that meet their needs.

Mission

To guide and enhance the Province's health services to ensure British Columbians are supported in their efforts to maintain and improve their health.

Values

A set of beliefs, consistent with the principles of the *Canada Health Act*, defines our organizational behaviour:

- **Citizen and patient focus** which respects the needs and diversity of all British Columbians.
- **Equity** of access and in the quality of services delivered by government.
- **Access** for all to quality health services.
- **Effectiveness** of delivery and treatment leading to appropriate outcomes.
- **Efficiency**, providing quality, effective, evidence-based services in a cost-effective way.
- **Appropriateness**, providing the right service at the right time in the right place.
- **Safety** in the delivery of health services to minimize the risks to the health and safety of British Columbians.

Strategic Context

Planning Context and Key Strategic Issues

The Ministry of Health operates within the broader economic, social and environmental influences that affect the population's health status. Enjoying good health and a high quality of life depends on many factors, including access to quality education, meaningful employment, stable family and community environments, and making healthy lifestyle choices.

Access to high quality health services also has a positive influence on health status. In British Columbia, citizens are supported in maintaining their health by a publicly funded health system, directed by the Ministry of Health and delivered primarily by B.C.'s health authorities and health care professionals. In the past 35 years, the scope of the public health system has expanded beyond traditional hospital and physician services to include comprehensive public health programs, a broad team of service providers, prescription drugs, home and community care and more.

Overall, British Columbians have a quality health system they can rely on and have some of the best health outcomes in the country. This was recently reflected in *Healthy Provinces, Healthy Canadians: A Provincial Benchmarking Report* released by the Conference Board of Canada in February 2006. The report compared and evaluated the performance of provincial health care systems in Canada based on 70 comparable health indicators, and found British Columbia to have the top ranked health system in the country. The full report is available at <http://www.e-Library.ca>.

Challenges and Risks

The Ministry must monitor broader societal indicators and trends to assess and plan for potential impacts on the health of the public and the health system. For instance, while British Columbians currently enjoy the best health status in Canada, there are worrying trends that are already creating unprecedented demands for health services:

- An aging population with a rising burden of illness is resulting in the continuing rise in demand for increasingly complex and expensive health services.
- 42 per cent of adult British Columbians are overweight or obese according to self-reported data, and only 58 per cent are physically active or moderately active.
- Tobacco use remains the primary risk factor that contributes most to the burden of diseases in British Columbia.
- Advances in technology are enabling and improving services, but also creating increased demand.
- As the population ages, so too does the health care workforce. The combination of looming retirements in the health workforce and increased demand for services from an aging population will make maintaining an adequate supply and mix of health professionals and workers challenging.

British Columbia's population growth and demographic shifts are also putting pressure on the health system, as health services tend to be used at higher rates in older age groups. The following demographic trends help to illustrate the scope of the future challenges to the health system:

- British Columbia's population is growing; in 2005 the population increased by 42,700 persons and is expected to increase by 45,000 persons in 2006, 47,600 in 2007, and 48,600 in 2008. By 2010, the population is forecast to be 4,485,000, an increase of 5.8 per cent from 2005.
- The share of British Columbia's population over the age of 65 is expanding. Relative to 2005, by 2015 the share of the population 65 and over will grow by 21.8 per cent, from 13.9 per cent to 16.9 per cent. Moreover, the median age in British Columbia is expected to reach 42.0 years by 2015 from 39.6 years in 2005.
- Life expectancy is increasing. In 2005, the median age at death was 79 years and by 2015 it is expected to be 81 years.

Furthermore, maintaining a high quality health system is also challenged by a number of other factors in a rapidly changing environment. Those factors include:

- The development of new treatments for patients with conditions that were previously untreatable.
- The emergence of new diseases, which result in new tests, drugs and treatments.
- Significant new public health risks such as avian flu, SARS, and West Nile virus, as well as accidental or natural emergencies.
- The continuous need to update or expand health facilities, technology and equipment.

Capacity to Manage Risks

Government has annually increased funding for health services; however, funding increases alone will not meet the increasing and changing demands placed on the health system. Accordingly, the Ministry has and will continue to undertake several strategies to ensure the health system is able to adapt and respond to changing demands.

The Ministry is engaging in longer-term planning and employing more integrated approaches to anticipating and meeting longer-term needs. The Ministry has significantly strengthened its data collection and analysis capability, and developed a long-term planning framework that provides structured guidance to ensure health system planning activities are evidence-based and focused on population and patient needs. The improved data and the framework guide the Ministry's planning in key service delivery and infrastructure areas, such as health human resource planning, information technology (including eHealth) planning, and capital investment planning for facilities and equipment. Longer-term coordinated approaches based on evidence derived from sound data and analysis strengthens the Ministry's ability to make the right strategic investments to address the challenges facing the system, and deliver a quality health system now and in the future.

Further, our capacity to manage change has been greatly increased through the development of an accountable, efficient and responsive health sector that welcomes the challenge

of improving services for the citizens of British Columbia. One of our strengths is the streamlined structure of five geographic health authorities responsible for the delivery of health services within their regions, and one additional authority responsible for highly specialized services, such as cancer and cardiac care, province-wide. This structure is well designed to manage the complexity of the health system, take advantage of the ability to adapt to change, foster innovation and make strategic investments across the continuum of care. The British Columbia structure is responsive to the changing needs of the population and well prepared to meet the challenges of an increasingly diverse, growing and aging population.

The Ministry is also working with other government and non-government organizations in support of British Columbians' health. ActNow BC is a health and wellness initiative that promotes healthy living choices to reduce chronic disease and improve the quality of life and health among the province's citizens. Coordinated across all provincial government ministries, it is a multi-year, multidisciplinary effort to create policies, programs and services that motivate British Columbians to eat a healthier diet, become more physically active, maintain healthy weight, reduce, quit or avoid tobacco use, and make healthy choices in pregnancy. What makes ActNow BC unique among health promotion initiatives is that the program broadens the focus of responsibility for the promotion of health and fitness beyond the health care system. Not solely the responsibility of the Ministry of Health, ActNow BC engages all provincial ministries as well as external partners. The BC Healthy Living Alliance (BCHLA) is a major partner, with the capacity to mobilize more than 40,000 volunteers, 4,300 health and recreation professionals and 184 local governments across B.C. BCHLA member organizations include: the Heart and Stroke Foundation, Canadian Cancer Society, Canadian Diabetes Association, B.C. Lung Association, B.C. Recreation and Parks Association, Dietitians of Canada, Public Health Association of B.C., Union of B.C. Municipalities, and the B.C. Pediatric Society. These partnerships greatly expand the Ministry's capacity to promote good health for British Columbians.

Ministry Linkage to the Five Great Goals

Government has set out five overarching goals to guide the work of ministries in achieving the full potential of British Columbia. The Five Great Goals for a Golden Decade focus on literacy and education, healthy living and physical fitness, supports for the most vulnerable members of society, environmental stewardship and job creation.

The work of the Ministry of Health is guided by the government's Five Great Goals. While the Ministry's primary contribution to achieving the five goals can be found in the goals focused on health and wellness (Goal 2) and providing supports to the most vulnerable members of society (Goal 3), the work of the Ministry ultimately contributes to the achievement of all the government's goals. Following is an overview of the key initiatives for B.C.'s health system that support the attainment of the Five Great Goals for a Golden Decade.

Great Goal 1: Make British Columbia the best-educated, most literate jurisdiction on the continent.

The Ministry of Health is:

- Providing health promotion and disease prevention programs that will help people stay healthy so they can learn. For instance, the Ministry is contributing to healthy childhood development by providing hearing screening, sight testing and dental checks for children before the age of six.

Great Goal 2: Lead the way in North America in healthy living and physical fitness.

The Ministry of Health is:

- Leading government's ActNow BC initiative through which all ministries and all sectors are supporting British Columbians to make healthy lifestyle choices in their schools, workplaces and communities. The ActNow BC initiative promotes physical activity, healthy eating, living tobacco free, and making healthy choices during pregnancy.
- Strengthening health protection and emergency management programs to promote health and safety and prepare for and respond to major public health risks such as SARS, West Nile virus, influenza, meningitis, and natural or accidental disasters.
- Continuing to deliver expanded immunization programs for children and seniors.
- Working to continue to reduce inequalities in health status among British Columbians, with a particular focus on improving Aboriginal health and wellness.
- Expanding the BC HealthGuide and BC NurseLine program to provide citizens with health information and advice 24 hours a day, 7 days a week, with translation services in over 130 languages. Providing the right information to the right person at the right time supports British Columbians to make the right health decisions for themselves and their families.

Great Goal 3: Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk, and seniors.

The Ministry of Health is:

- Expanding home and residential care options for seniors and persons with disabilities, including building 5,000 new residential care, assisted living and supportive housing with care beds in partnership with BC Housing and community affiliates by December 2008.
- Strengthening and modernizing health services for seniors.
- Continuing to enhance mental health and addiction services across the Province, and participating with other ministries, health authorities, BC Housing, municipalities and community organizations to develop and implement strategies to address mental health, addictions and homelessness.
- Working with the Ministry of Children and Family Development and the Ministry of Education to better integrate services for children and youth with special needs.

Great Goal 4: Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.

The Ministry of Health is:

- Working with ministries across government on the ongoing implementation of the *Drinking Water Protection Act* to ensure safe, quality drinking water for British Columbians.
- Working with ministries across government to protect and enhance the Province's air quality by moving ahead on the recommendations of the Provincial Health Officer's Report on Air Quality in British Columbia.

Great Goal 5: Create more jobs per capita than anywhere else in Canada.

The Ministry of Health is:

- Continuing to foster innovation in the expanding health sector while creating safe, healthy and rewarding workplaces that will attract skilled workers and professionals to British Columbia.
- Working with the Ministry of Advanced Education, post-secondary institutions, the federal government and other provinces and territories to address the long-term need for a stable supply of health workers.
- Encouraging health research and innovation by investing \$100 million in the Michael Smith Foundation for Health Research.

Service Delivery and Core Business Areas

Service Delivery

The Ministry of Health provides leadership, direction and support to its service delivery partners, such as health authorities, physicians and other health professionals, who directly deliver the majority of health services in British Columbia. The Province's six health authorities are the main organizations responsible for local health service delivery (see Appendix 1 — Map of Health Authorities). Five regional health authorities are responsible for delivering a full continuum of health services to meet the needs of the population within their respective regions. A sixth health authority, the Provincial Health Services Authority, is responsible for ensuring British Columbians have access to a coordinated network of high quality specialized health services, such as cancer care, specialized cardiac services and transplant operations. Performance agreements between the Ministry and each health authority are used to detail health authority responsibilities and the Ministry's expectations for service delivery.

The Ministry also leads and manages other health programs outside the scope of services delivered by the health authorities. The two largest of these are the Medical Services Plan and PharmaCare programs, which, respectively, provide physician services and prescription drug coverage for B.C. residents.

The delivery of health services and the health of the population are continuously monitored and evaluated by the Ministry. These activities inform the Ministry's strategic and policy direction, and lead to interventions and course corrections when required, to ensure the delivery of health services continues to meet the needs of British Columbians.

Core Business Areas — Overview

The health system is complex and multi-faceted with many different organizations, agencies and providers delivering services to meet the population's health needs. The Ministry's core business areas are organized to reflect the major partnerships and roles that combine to form a high quality, coordinated health system for British Columbians.

Core Business Area: *Services Delivered By Partners*

Our partners deliver the vast majority of health services to the public. These services span the continuum of health services, from population health programs to end-of-life care. Accordingly, this core business accounts for the vast majority of health expenditures, and is the primary focus of the system redesign efforts detailed in this service plan. The major areas included in this core business are:

Regional Health Sector

2005/06 expenditure: \$7.251 billion

B.C.'s six health authorities are the Ministry's key organizational partners in delivering services to British Columbians. More than 90 per cent of the Regional Health Sector funding is provided to the six health authorities for the provision of most local health services, including health promotion and protection services, primary care, hospital services, home and community care, mental health and addiction services, and end-of-life care.

The remaining funding is provided to other health agencies for related health services, including: the provision of blood services, out of province hospital services, post-graduate medical education, health care risk management, and some palliative care services.

Medical Services Plan

2005/06 expenditure: \$2.669 billion

The Medical Services Plan funds medically necessary services provided by general practitioners, specialists, midwives and other practitioners, including diagnostic services. Services are funded in a variety of ways: through fee-for-service, contracts (including contracts with health authorities), and salaried positions. Medical Services Plan funding also provides supplementary benefits to low-income British Columbians for a range of services, including physical therapy, naturopathy and chiropractic.

PharmaCare

2005/06 expenditure: \$867 million

PharmaCare is B.C.'s prescription drug insurance program and includes several benefit plans. The main plan is Fair PharmaCare, which provides insurance to B.C. families for prescription drug costs. Several other plans exist to address the health needs of individuals, including seniors in long term care facilities, severely disabled children who are cared for at home, enzyme treatment for people with cystic fibrosis, and clients on provincial income assistance.

Health Benefit Operations

2005/06 expenditure: \$29.2 million

Health Benefit Operations provides administrative services for B.C.'s PharmaCare Program and Medical Services Plan. These services do not involve direct health care delivery, but include registering beneficiaries, processing medical and pharmaceutical claims from health professionals, and responding to inquiries from the public. Since April 1, 2005 these administrative services have been delivered by Health Insurance BC through an operating agreement. Funding in this area represents the Ministry's purchase of these administrative services.

Health Infrastructure Investment (Debt Service Costs and Amortization of Prepaid Capital Advances)

2005/06 expenditure: \$285 million

Government also provides debt-financed funding to health authorities for specific capital purposes including the capital cost of new buildings and renovations and improvements to health facilities, as well as diagnostic and medical equipment and information technology. Debt service costs and amortization related to infrastructure investment are captured in this area.

Core Business: *Services Delivered By Ministry.*

This core business encompasses two important public services: the B.C. Ambulance Service, which is delivered through the Emergency Health Services Commission, and the Vital Statistics Agency.

Emergency Health Services (B.C. Ambulance Service)

2005/06 expenditure: \$257 million

The B.C. Ambulance Service (BCAS) is responsible for providing effective, efficient and equitable emergency health services for the Province. Approximately 1,300 full-time and 1,900 part-time paramedics and dispatchers provide emergency and medical transport services. BCAS is a provincial service with 190 stations and 460 ambulances across the Province, providing more than 460,000 ground calls and 7,000 air evacuations annually.

British Columbia Vital Statistics Agency

2005/06 expenditure: \$6 million

The Vital Statistics Agency is responsible for documenting important events for B.C. citizens such as births, marriages, and deaths. There are two primary outputs of the Agency's vital event registration activities: the production of accurate, timely and relevant health statistics and information, and the issuance of certified documents pertaining to individual vital events (e.g., birth certificates). The Agency also has a key responsibility to secure and protect personal identity records by taking appropriate measures to prevent identity theft and related frauds as they may relate to British Columbia vital event records and documents.

Core Business: *Stewardship and Corporate Management*

2005/06 expenditure: \$104 million

As stewards of the system, the Ministry provides leadership and support to its health system partners, including health authorities, physicians and other care providers. While this business area accounts for less than 1 per cent of health system expenditures, it is crucial to the effective functioning of the health system.

The Ministry sets the overall strategic direction for the health system, provides the appropriate legislative and regulatory frameworks to allow it to function smoothly, and plans for the future supply and use of health professionals, technology and facilities. The Ministry also monitors the health of the population and plans for and coordinates responses to major public health risks and emergencies. Lastly, the Ministry evaluates health system performance against clearly articulated expectations, and takes corrective action where necessary to ensure the population's health needs are being met.

This core business area includes the Office of the Provincial Health Officer. Under the *Health Act*, the Provincial Health Officer is the senior medical health officer for British Columbia and provides independent advice to the Minister of Health, the Ministry and the public on public health issues and population health. Each year, the Provincial Health Officer must report publicly, through the Minister of Health, to the legislature, on the health of the population.

Report on Performance

Overview of Ministry Results

Overall, the Ministry of Health performed well in achieving its performance targets in 2005/06. The following table provides an overview of results for the performance measures used to judge progress on the goals, objectives and strategies contained in the Ministry's 2005/06–2007/08 Service Plan Update (September 2005). Detailed reporting of these results, including historical data and results analysis, can be found in the section following the summary table.

Of the 17 performance measures in the 2005/06 service plan, two measures are listed as “pending” because data are not available for 2005/06 at the time of publication. In addition, two other measures are listed as “not applicable” in the summary table as they did not have targets for 2005/06, other than to begin data collection to assess performance in future years.

Of the remaining 13 measures of 2005/06 performance, the results show that 11 performance measures achieved or exceeded their targets, one measure substantially achieved the target (defined as making at least 90% of the target), and one measure is “in progress” because it is being judged against a longer-term target. These results indicate the Ministry has made good progress in providing a health system that keeps people healthy, provides high quality patient care, and is efficiently managed to ensure its sustainability.

The Ministry of Health is committed to transparent performance reporting in the health sector, and through its Knowledge Management and Technology Division is working to ensure quality data are available for management and reporting purposes. In addition to the Annual Service Plan Report, a number of other health system performance reports are currently available, including the Provincial Health Officer's Annual Report (<http://www.healthservices.gov.bc.ca/pho/annual.html>), the Annual Report on Health Authority Performance (<http://www.healthservices.gov.bc.ca/socsec/index.html>), British Columbia's Report on Nationally Comparable Indicators (http://www.healthservices.gov.bc.ca/cpa/publications/pirc_2004.pdf) and the Vital Statistics Annual Report (<http://www.vs.gov.bc.ca/stats/annual/>). Further, several external agencies produce reports that assess the performance of the B.C. health sector. Examples include the Conference Board of Canada, Cancer Agency of Canada, BC Progress Board, Heart and Stroke Foundation of Canada, and the Canadian Diabetes Association.

Performance Plan Summary Table

Synopsis of Ministry Performance Measure Results

Ministry Mission To guide and enhance the Province's health services to ensure British Columbians are supported in their efforts to maintain and improve their health				
Five Great Goals	Ministry Goals	Ministry Objectives	Performance Measures	Results
	1. Improved Health and Wellness for British Columbians	1. Individuals are supported in their efforts to stay healthy and make healthy lifestyle choices	Smoking rates	Achieved
			Physical activity rates	In Progress
		2. Protection of the public from preventable disease, illness and injury	Immunization rates for children	Achieved
			Immunization rates for elderly	Achieved
			Aboriginal infant mortality rates	Achieved
	2. High Quality Patient Care	1. Timely access to appropriate health services by the appropriate provider in the appropriate setting	Access to residential care	Not Applicable
			Access to radiotherapy	Achieved
			Access to chemotherapy	Substantially Achieved
			Hospital admission from emergency departments	Not Applicable
		2. Patient-centred care tailored to meet the specific health needs of patients and patient subpopulations	Congestive heart failure treatment	Pending
			Diabetes test rates	Pending
		3. Improved integration of health care providers, processes and systems to allow patients to move seamlessly through the system	More choice in end-of-life care	Achieved
			Coordinated mental health and addictions treatment (30-day follow-up)	Achieved

Ministry Mission				
To guide and enhance the Province's health services to ensure British Columbians are supported in their efforts to maintain and improve their health				
Five Great Goals	Ministry Goals	Ministry Objectives	Performance Measures	Results
	3. A Sustainable, Affordable, Publicly Funded Health System	1. Effective vision, leadership, direction and support for the health system	Survey of health authorities regarding the Ministry's stewardship functions	Achieved
		2. Strategic investments in information management and technology to improve patient care and system integration	Progress on electronic health record development	Achieved
		3. Optimum human resource development to ensure there are enough, and the right mix of, health professionals	Progress on health human resource initiatives	Achieved
		4. Sound business practices to manage within the available budget while meeting the priority needs of the population	Actual health expenditures do not exceed health budget	Achieved

Goals, Objectives, Strategies and Performance Measures

Goal 1: *Improved Health and Wellness for British Columbians.*

The Ministry's first goal is to support British Columbians in their pursuit of better health and wellness. This goal directly supports Government's Great Goal to "*Lead the way in North America in healthy living and physical fitness.*"

British Columbians in general are already among the healthiest people in the world, and the Ministry wants to support their healthy lifestyles while also providing support to those in the population who do not enjoy good health or are at risk of diminishing health. Many citizens are at risk from factors such as poor dietary habits, obesity, inactivity, injuries, tobacco use and alcohol and drug misuse.

The two objectives under this goal articulate the two approaches the Ministry is taking to improve the health and wellness of British Columbians. The first objective is to promote health by supporting individuals in their efforts to stay healthy and make healthy lifestyle choices. The second objective is to protect the public's health from preventable disease, illness and injury.

An ounce of prevention is worth a pound of cure. Health promotion and protection are important to maintaining and improving the health of British Columbians while containing overall health system costs. If we can keep people healthy and out of the health care system, we win on two fronts: people have a better quality of life, and more health resources can be made available for non-preventable illness.

Two of the Ministry's core business areas, Services Delivered by Partners and Stewardship and Corporate Management, undertake work in support of this goal.

Objective 1: Individuals are supported in their efforts to stay healthy and make healthy lifestyle choices.

The Ministry and its partners across government and throughout the health system are focusing efforts on innovative health promotion and disease prevention initiatives to keep the population healthy and mitigate some of the demand for health services. We have been implementing programs to reduce the growth of chronic disease in the population by educating and supporting people to eat well, exercise and stop smoking. Also, for those already with a chronic illness, we are working with key stakeholders to improve the care they receive — by involving patients more in their care, providing evidence-based guidelines for physicians, and establishing collaboratives to share best-practice knowledge among providers.

The Ministry's main initiative to achieve this objective is ActNow BC. ActNow BC is an initiative to improve British Columbians health by targeting common risk factors for chronic diseases and taking an integrated approach to reducing these risk factors. ActNow BC is a cross-sectoral, cross-government initiative that promotes healthy lifestyles by providing people with the information and resources they need to live healthily. Specifically, ActNow BC promotes physical activity, healthy eating, living tobacco free, and making healthy choices during pregnancy. For more information on ActNow BC, please see <http://www.gov.bc.ca> and click on the ActNow BC logo.

In 2005/06, the Ministry also introduced programs specifically focused on healthy childhood development. These new programs are designed to identify problems with hearing, vision or dental health for children before they reach grade one. Identifying and treating these problems early can lead to better outcomes and healthier development for children in British Columbia.

Also in 2005/06, the Ministry began development of an evidence-based healthy aging framework to guide planning for healthy aging in B.C. The Ministry released a discussion paper "Healthy Aging through Healthy Living", which focuses on five key areas of intervention: healthy eating, injury prevention, physical activity, social connectedness and tobacco reduction. By encouraging healthy living for seniors within the context of ActNow BC, we can enable healthier, more active and more productive seniors, prevent or reverse frailty and poor health, and reduce demand for health care services.

Performance Measure: Tobacco use rates age 15 and over

Tobacco-related illness is the leading cause of preventable death and illness in B.C.;¹ accordingly reducing smoking rates is a key goal of government. Smoking reduction targets have been set in accordance with the ActNow BC initiative. For smoking rates, the target is to continue B.C.'s downward trend (see graph below) of tobacco use by a further 10 per cent — from the 2003 prevalence rate of 16 per cent to 14.4 per cent of the population by 2010.

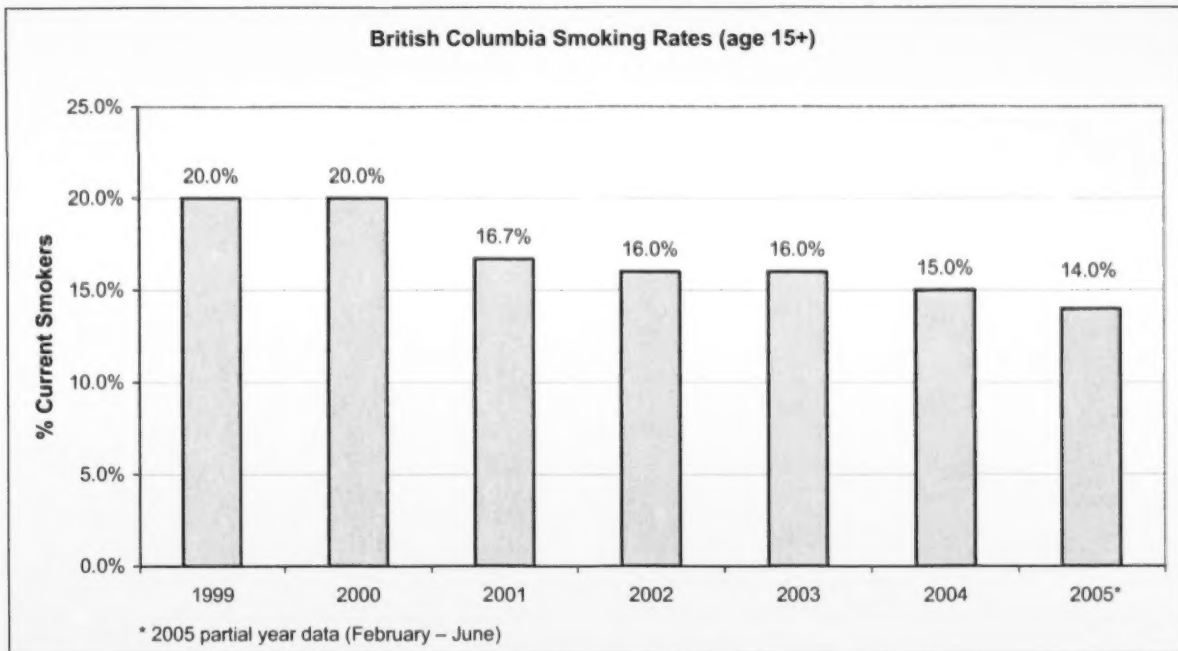
Results:

Performance Measure	2002	2003	2004	2005 Target	2005 Actual	Result
Smoking rates (age 15+)	16%	16%	15%	Decrease toward long-term target of 14.4%	14%*	Target Achieved

DATA SOURCE: Canadian Tobacco Use Monitoring Survey (CTUMS).

* Partial year data (February–June 2005).

¹ Mortality Attributable to Tobacco Use in Canada and its Regions, 1998, Makomaski Illing, Eva M., Kaiserman, Murray J, *Canadian Journal of Public Health* January-February 2004.



Analysis:

Tobacco use rates in B.C. have dropped from 15.0 per cent in 2004 to 14.0 per cent in 2005. This represents a significant success for British Columbia as we have already reached the 2010 ActNow BC target of 14.4 per cent. The 2005 results confirm that B.C. continues to have the lowest tobacco use rates in Canada.

B.C.'s Tobacco Control Strategy, *Targeting Our Efforts*, has three main objectives: helping smokers quit; stopping youth and young adults from starting; and protecting British Columbians from second hand smoke. Key initiatives contributing to successfully lowering tobacco use include:

- quitnow, an integrated cessation program introduced in 2004 which combines quitnow.ca, a web-based, fully interactive smoking cessation program, and quitnow by phone, a confidential 24/7 tobacco quitline available free-of-charge with translation services in 130 languages;
- Tobacco Free Sports, launched in 2003, is an adaptation of the successful World Health Organization's prevention program to clean sports of tobacco use, including ensuring a tobacco free 2010 Olympic and Paralympic Games;
- B.C.'s Aboriginal Tobacco Strategy, *Honouring Our Health*, a prevention program aimed at Aboriginal youth. The Strategy was the first of its kind in Canada when introduced in 2001 and has strong support in the Aboriginal community;
- Kick the Nic, a successful cessation program for youth introduced in 1999, and bc.tobaccofacts, a school-based tobacco prevention resource designed to prevent youth from starting to use tobacco, which was launched in 1998; and,

- litigation to hold the tobacco industry accountable for the impacts its products have had and continue to have on the health of British Columbians and on health care costs in the Province, which began in 1998.

In addition, the Ministry has continued to provide leadership and nurture partnerships with stakeholders including non-governmental organizations, health authorities, the Ministry of Education, and Health Canada. Currently, the Ministry is supporting applied research (i.e., Centre for Addictions Research B.C. and Tobacco Behaviours and Attitudes Survey) that supports the Ministry and its partners to pursue evidence-based changes to tobacco-related legislation and policy. Increasing the evidence-base allows for improvements in program planning and communications that raise awareness, increase knowledge and counter tobacco industry marketing efforts.

While smoking rates in B.C. are on a downward trend, the Ministry and its partners must continue to be vigilant in efforts to keep smoking rates low. The next steps in B.C.'s tobacco reduction efforts will not only focus on the general population, but will also identify and target programs for particular population groups, based on their life situation or experience. For instance, we will continue to design and deliver programs to discourage youth smoking, as that segment of the population is most susceptible to becoming new smokers.

Performance Measure: Physical activity index

Physical activity is essential to healthy growth and development and healthy living at all stages of life. Research shows there is a direct link between child and youth participation levels in physical activity and lifelong health and well-being.² Both physical inactivity and poor eating habits are contributing to high rates of overweight and obesity among children and adults. Research data shows obesity and overweight in adolescents (12-17 years) has more than doubled, and the obesity rate tripled, in the past 25 years.³ About 70 per cent of obese adolescents will be obese as adults, putting them at risk for diseases such as type 2 diabetes, coronary heart disease, hypertension, gall bladder disease and some forms of cancer.⁴ Studies have shown that a ten per cent reduction in physical inactivity could result in savings of \$150 million per year in direct health care costs.⁵

Accordingly, as part of the ActNow BC initiative, the Province is aiming to increase physical activity. The target for this measure is to increase the proportion of the B.C. population classified as active to moderately active by 20 per cent — from the 2003 rate of 58 per cent to 69.5 per cent of the B.C. population by 2010.

² McKay, H. (Nov 2004) Action Schools! BC Phase I (Pilot) Evaluation Report and Recommendations (A Report to the Ministry of Health Services).

³ Statistics Canada: Tjepkema, M. and Shileds, M. (2005) Measured Obesity: Overweight Canadian children and adolescents (Findings from the Canadian Community Health Survey, 2005).

⁴ Mossberg, HO (1989) 40 year follow up of overweight children. *Lancet* ii: 491-493.

⁵ Katzmarzyk, P.T., Gledhill, N., and Shephard, R.J. (2000) The Economic Burden of Physical Inactivity in Canada. *CMAJ*. November 28; 163 (11): 1435-1440.

Results:

Performance Measure	2000/01	2003	2005 Target	2005 Actual	Results
Physical Activity Index (age 12+)	49% classified as active or moderately active	58% classified as active or moderately active	Increase toward 2010 target of 69.5%	58% classified as active or moderately active	In Progress

DATA SOURCE: Data collected every two years through the Canadian Community Health. Starting in 2006, the CCHS will be completed annually.

Analysis:

Physical activity (active or moderately active) rates in B.C. significantly increased from 49 per cent in 2001 to 58 per cent in 2003. The 2005 data show that those increased physical activity rates have been maintained at 58% being active or moderately active. British Columbia's 2005 physical activity rates are the best in Canada — the overall Canadian average for active or moderately active citizens for 2005 was 51%.

Despite leading the country in physical activity, British Columbia is working to further improve rates of physical activity and has set a target of reaching 69.5% of British Columbians being active or moderately active by 2010. Maintaining the significant increase realized in 2003 is a good first step, and in 2005 the Ministry and its partners implemented a number of initiatives that will help raise physical activity levels in the coming years.

Among the key priorities of the Ministry and the ActNow BC initiative are programs such as Active Communities and Action Schools! BC, which promote physical activity and healthy eating. Action Schools! BC is a best practice physical activity model designed to assist schools in creating individualized action plans to promote healthy living. The program is being expanded across the Province in phases between September 2004 and June 2009. As of May 31, 2006, 893 schools were registered for the grade four to seven model; 597 workshops were delivered; 6,398 teachers and administrators were registered; and 100 per cent of school districts were involved.

Active Communities is a program to mobilize and support local governments and partner organizations to undertake actions to promote healthy lifestyles, build healthier communities and increase physical activity among their populations. Key strategies have included the development of workbooks, tool kits, and resources in the areas of active community planning, active workplaces and active living strategies for families living on low income, as well as the provision of grants to assist communities in developing or delivering community action plans.

Objective 2: Protection of the public from preventable disease, illness and injury.

The Ministry's and health system's second major approach to keeping people healthy is through providing effective public health services to prevent illness and disability. Government plays an important role in monitoring population health and protecting public

health. Legislation and regulation of food, air and water quality lays the foundation for communities and citizens to live in healthy and safe environments. In addition, programs that target and prevent certain diseases, like influenza, also contribute to maintaining and improving the health of British Columbians.

Since 2003, to help protect public health, the Ministry has brought into force a new *Drinking Water Protection Act*, and has modernized its Meat Inspection Regulation as part of ongoing improvements to the 2002 *Food Safety Act*. Under the *Drinking Water Protection Act*, government has dedicated additional resources to drinking water and water source protection to improve the quality of drinking water in British Columbia. Meanwhile, the new Meat Inspection Regulation harmonizes its protocols with the *National Meat Code*, and provides province-wide standards for the construction and operation of slaughtering facilities, including a provision that animals raised for sale require mandatory inspection before and after slaughter.

In 2005/06, the Ministry also continued its emergency preparedness work with provincial, national and international partners to plan and prepare for the possibility of an influenza pandemic in British Columbia. The Ministry has led the development of the Provincial Pandemic Influenza Preparedness Plan, and continued to take steps to ensure flu vaccines will be available for British Columbians in the event of a pandemic. For more information on pandemic planning please see <http://www.health.gov.bc.ca/pandemic>.

The Ministry has also continued to focus on preventable injuries, particularly falls among the elderly. B.C.'s leadership in falls prevention has attracted the interest of jurisdictions and organizations from around the globe, including the World Health Organization. Over the past four years, there has been a nine-fold increase throughout B.C. in programs designed to reduce falls and injuries among seniors. These efforts are proving successful: death rates either directly or indirectly due to falls for both senior men and women have significantly decreased since 1990, and over the past five years, the estimated annual hospital cost of fall-related injuries among seniors has reduced by \$24 million (13.7 per cent). For more information, please see "*The Evolution of Seniors' Falls Prevention in British Columbia*", which highlights efforts in B.C. to raise awareness of the significant burden of injury from falls, at http://www.hlth.gov.bc.ca/cpa/publications/falls_report.pdf.

Another key focus under this objective is to reduce inequalities in health status among segments of the B.C. population, with a particular focus on B.C.'s Aboriginal population. In general, the Aboriginal population does not enjoy the same level of good health as the rest of the Province's population. Accordingly, and in line with Government's New Relationship with Aboriginal People,⁶ the Ministry has been working with other provincial ministries, health system partners, the federal government and Aboriginal organizations to reduce health inequalities between First Nations people and the general population. Areas of focus include integration of the ActNow BC strategy with First Nations health programs, targeting mental health and addictions programs to address substance abuse and youth suicide, enhancing maternity care and increasing the number of Aboriginal health care professionals.

⁶ For more information on the New Relationship with Aboriginal People see <http://www.gov.bc.ca>.

Performance Measure: Immunization rates

Immunization programs are a cornerstone for good population health. British Columbia has more than doubled funding for immunizations since 2002, and has expanded childhood immunization programs, as well as influenza and other targeted vaccination programs to help infants, their parents and seniors stay healthy.

British Columbia now has one of the most comprehensive immunization programs in the world (in terms of the number of vaccines available and the groups targeted), and maintaining and improving those programs is among the best ways to keep people healthy and to reduce health care costs caused by advanced illnesses. Depending on the vaccine, studies have shown that each dollar invested in immunization can save between \$7 and \$30 in medical care and other costs.⁷

For performance measures, the Ministry monitors both the percentage of two-year-olds with up-to-date immunizations, and the percentage of residents of care facilities who get influenza vaccinations for flu season. Childhood immunization is a very important health indicator as it impacts both individual and population protection against vaccine-preventable diseases. Delayed delivery of recommended immunizations extends a young child's period of vulnerability to a disease. Similarly, vulnerability toward some illnesses, such as influenza, increases among the elderly; therefore the influenza vaccination rate for at-risk residents of care facilities is also an important indicator.

a) Two-year-olds with up-to-date immunizations

Immunization programs for children are among the most cost-effective ways to improve population health, prevent illness and reduce health care costs. In B.C., all infants and preschool children have access to immunizations that protect them from the following diseases: diphtheria, pertussis, tetanus, polio, haemophilus influenza type b, measles, mumps, rubella, and hepatitis B. In 2003, B.C. introduced the meningococcal C conjugate and pneumococcal conjugate vaccine programs. In January 2005, B.C. introduced an infant varicella (chickenpox) program and in June 2005, all infants in B.C. became eligible for a meningococcal C vaccine.

Results:

Performance Measure	2004	2005 Target	2005 Actual	Result
Immunization rates: a) Two-year-olds with up-to-date immunizations	69%	5 percentage point increase over prior year to 74%	74%	Target Achieved

DATA SOURCE: Public Health Information System (iPHIS), British Columbia Centre for Disease Control (BCCDC).

NOTES: Data need to be interpreted with caution as it is incomplete. Differing practices exist across and within health authorities regarding delivery of immunization services and the tracking of immunization records. Consequently, this data does not include all health authorities (Fraser HA and Vancouver Coastal HA excluded); however for performance purposes it is comparable to data reported in the 2004/05 annual report. The BCCDC has been given the responsibility for data collection for this measure and is developing new reporting methodology to standardize and improve data quality.

⁷ For more information on immunization programs see <http://www.healthservices.gov.bc.ca/pho/pdf/phoannual1998.pdf>.

Analysis:

The 2005 data show the B.C. rate of complete immunization for two-year-olds at 74 per cent, meeting the Ministry's target of a five percentage point increase from 2004's result of 69 per cent. Further, additional data indicates that 85 per cent of two-year-olds have received all of their shots except the booster shot given at 18 months of age.

The Ministry, British Columbia Centre for Disease Control (BCCDC) and health authorities are working to have a higher percentage of infants receive their full vaccination schedule. Together, we are working to identify and overcome barriers that may be affecting childhood immunization rates, including a lack of public knowledge about the importance and timing of immunization programs.

The Ministry has also worked with its partners, including the BCCDC, to develop an immunization strategic framework for British Columbia. The purpose of the framework is to guide collective action to ensure that all British Columbians understand the importance of immunization for themselves, their families and vulnerable populations and take the steps necessary to protect themselves and the community by being immunized. The B.C. framework is aligned with the National Immunization Strategy, which brings together partnerships to effectively improve immunization rates.

In addition, the Ministry and health authorities have been undertaking a number of other initiatives to improve childhood immunization rates. These activities include:

- Establishing immunization promotion and surveillance programs in regional health authorities;
- Implementing immunization recall and reminder systems across the Province;
- Adding child health clinics and clinics with revised schedules to better meet the needs of parents and care givers; and
- Conducting a client survey/focus groups to determine why parents do or do not come in for immunization services.

Through these efforts, the Ministry and its partners expect to see further improvements in childhood immunization rates in 2006/07 and beyond.

b) Influenza immunization for residents of care facilities

Influenza is a major cause of illness, hospitalization and death among older adults and residents of care facilities. Due to the age, medical condition and group living situation, this population is particularly vulnerable to influenza.

Annual influenza vaccination reduces the risk of disease and may lessen the severity of illness. In addition to protecting the overall health of the population within residential care facilities, increasing influenza immunization rates can reduce the number of deaths, hospitalizations and physician visits attributable to this common and largely preventable illness. This indicator measures the percentage of residents of care facilities immunized for influenza in a given influenza season (October to February).

Results:

Performance Measure	2002/03	2003/04	2004/05	2005/06 Target	2005/06 Actual	Result
Immunization rates: b) Influenza immunization for residents of care facilities	85.4%	89.7%	91.8%	Maintain at or above 90%	92.4%	Target Achieved

DATA SOURCE: Data are submitted by Health Authorities (Annual Influenza Immunization Program Survey). Data for 2002/03 were compiled by Population Health and Wellness Division, B.C. Ministry of Health. Data for 2003/04 onward were compiled by Epidemiology Services, B.C. Centre for Disease Control.

Analysis:

Data for 2005/06 influenza immunizations for residents of care facilities show an increase from 91.8 per cent in 2004/05, to 92.4 per cent, in excess of the target rate of 90 per cent. This is an excellent rate of immunization and plays an important role in keeping residents of care facilities healthy and safe from potentially life-threatening influenza outbreaks.

Furthermore, not only does this contribute to the health and well-being of B.C.'s seniors' population, but it also helps alleviate demand on the Province's hospitals and emergency departments as fewer residents need to be transferred from facilities to receive higher levels of care in hospital. Influenza outbreaks can have a ripple effect — outbreaks can drastically increase demands on hospitals and cause delays in the health care system's ability to provide services such as elective surgeries because hospital beds are being occupied by those suffering from influenza. A strong influenza immunization program helps to prevent outbreaks, and enables services to run more smoothly throughout the health system.

Performance Measure: Aboriginal health status measured by post neonatal infant mortality of Status Indians

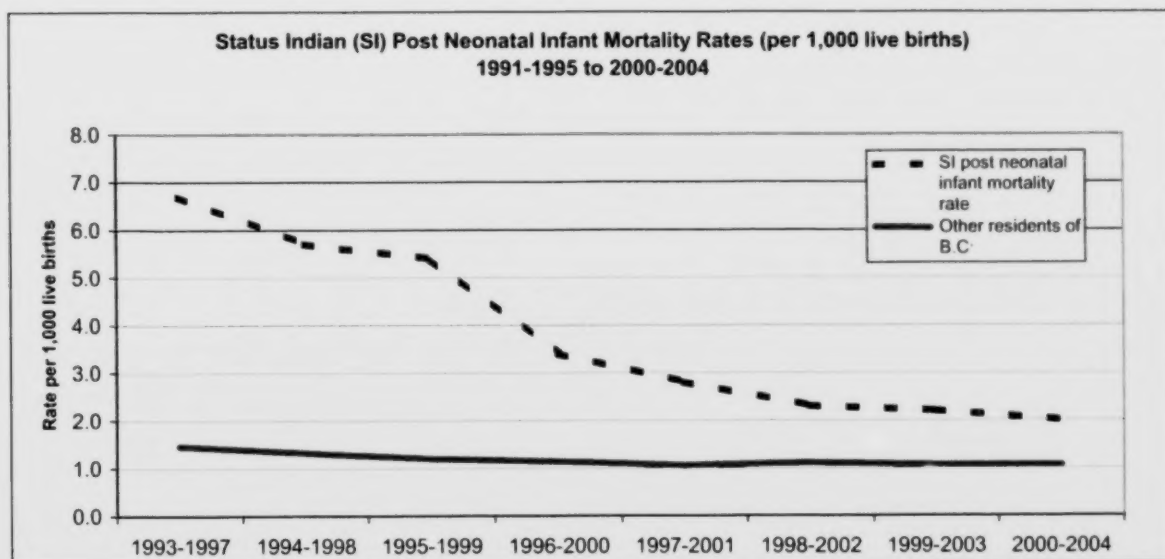
As a group, Aboriginal people have a level of health below that of the general population. Excess mortality in this population is largely due to preventable causes. The Provincial government is striving to close this gap and have Aboriginal people enjoy the same good health status as the general population of British Columbia.

The Ministry tracks post neonatal infant mortality rates as one indicator of the overall health status of Aboriginal people in British Columbia. This indicator measures the number of Status Indian infant deaths occurring in the 28 to 364 days age group expressed as a rate per 1000 Status Indian live births. Post neonatal infant mortality is primarily related to infants' environment and care.

Results:

Performance Measure	2003	Target	2004 Actual	Result
Aboriginal health status measured by post neonatal infant mortality of Status Indians	Status Indian 2.2 per 1,000; B.C. other residents 1.1 per 1,000 live births	Decrease over prior year	Status Indian 2.0 per 1,000; B.C. other residents 1.1 per 1,000 live births	Target Achieved

DATA SOURCE: Vital Statistics, December 2004 is the most recent data. The subset of Aboriginal people who are Status Indians is used as a proxy measure for the total Aboriginal population, as Status Indians are the only Aboriginal people who can be identified in Vital Statistics databases at this time. A five-year moving average (2000-2004) is used for this indicator. Given the relatively low number of infant deaths, a five-year average mitigates year-to-year variation and provides a better indication of longer-term trends.



DATA SOURCE: Vital Statistics, December 2004 is the most recent data.

Analysis:

Over the past decade, the gap between overall infant mortality rates in the Aboriginal Status Indian population and the total B.C. population has been significantly decreased. In fact, since 2001 there has been no gap between the Status Indian neonatal (< 28 days of age) infant mortality rate and the rate in the general population. However, a gap still remains in the post neonatal (28-364 days of age) subset so that is where the Ministry and its partners are focusing attention with this indicator.

As illustrated in the graph above, the Status Indian post neonatal mortality rates have been steadily decreasing towards the provincial non-Aboriginal rate. The current rate is a vast improvement over the early and mid-1990's when the Status Indian rate was several

times that of the general population. The improving results indicate better child health for Aboriginal people and the Ministry expects this positive trend to continue.

There are multiple social determinants of health that contribute to this indicator (e.g., socio-economic status), and government is working on many fronts to improve First Nations' economic and social well-being in British Columbia. In the health sector, the Ministry and health authorities have introduced a number of programs and initiatives that support and improve maternal and infant health for Aboriginal people across the Province. Examples include programs specifically targeted to Aboriginal people, such as:

- The B.C. Aboriginal Maternal Health Project, which is part of the Provincial Maternity Care Enhancement initiative, focuses on enhancing maternity care for Aboriginal people, including bringing birth back into the hands of women and their communities; and
- The Aboriginal Tobacco Strategy and Honour Your Health Challenge, which is a Province-wide, community based health initiative which mobilizes individuals and communities to live active, healthy and strong lifestyles free from tobacco misuse.

Other examples include more widely targeted population health initiatives that also positively affect Aboriginal health, such as:

- Pregnancy Outreach Programs which support at-risk women in British Columbia. Evaluation at the national level has found such services to be effective in increasing the birth weights of babies born to at-risk mothers;⁸ and
- Healthy Choices in Pregnancy initiatives under ActNow BC, which focus on eliminating alcohol and tobacco use in pregnancy.

In addition, each regional health authority is working with its Aboriginal communities to design and deliver health services and programs that best meet the needs of those communities. Maternity and infant care is a key consideration in planning and delivering those services.

Goal 2: High Quality Patient Care.

The vast majority of resources in the health system are directed at providing high quality patient care. High quality care means patients receive appropriate, effective, safe care at the right time in the right setting. It also means that health services are planned, managed and delivered in concert with patient needs.

Three objectives guide the Ministry's work under this goal. The objectives represent three important facets of high quality care: access to care, patient-centred care, and integration of care services. The Ministry and its health system partners have been undertaking numerous strategies and initiatives supporting each objective, resulting in high quality care being delivered to patients across British Columbia.

Providing a wide range of high quality health services supports two of Government's Five Great Goals. Access to health services supports the Great Goal to "*Lead the way in*

⁸ A Review of Infant Mortality in British Columbia: A Report of the Provincial Health Officer, October 2003.

North America in health living and physical fitness,” as well as the Great Goal to “Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk, and seniors”.

Each of the Ministry’s core business areas contributes to the attainment of this Ministry goal.

Objective 1: Timely access to appropriate health services by the appropriate provider in the appropriate setting.

All British Columbians should be able to access health services when they need them, be that for a visit to a family doctor, prescription drug therapy, emergency treatment, elective surgery or ongoing care. The Ministry and its partners have been working diligently over the past five years to ensure hospitals, community services and health professionals are used in the most efficient and effective way possible so that people get the right type of care in the right type of setting that will lead to the best health outcome. The key approaches have been to ensure there is an adequate supply of key providers, to increase the range and availability of services provided in the community, and to ensure that our hospitals are used effectively to provide emergency and acute care, such as surgery or cancer treatment.

Performance Measure: Percentage of clients admitted to a residential care facility within 30 days of approval

This indicator tracks the percentage of seniors and people with disabilities who are admitted to residential care within 30 days of being approved. Clients approved for residential care have complex care needs that require close attention. Improving access to this type of care leads to better outcomes and use of resources.

Results:

Performance Measure	2004/05	2005/06 Target	2005/06 Actual	Result
Percentage of clients admitted to a residential care facility within 30 days of approval	N/A ¹	Establish Baseline ²	67% ³	Baseline Established

DATA SOURCE: Knowledge Management and Technology Division, Ministry of Health.

NOTES:

¹ This was a new measure in 2005/06 requiring new methods of data collection. As such, directly comparable data are not available for previous years.

² The 2005/06 target was changed from “increase over prior year” because historical data was not available.

³ 2005/06 data are preliminary.

Analysis:

Preliminary data from across the Province for 2005/06 show 67 per cent of clients were admitted to residential care within 30 days of being approved. While the adoption of an improved method of data collection has resulted in no directly comparable data being

available for 2004/05, it is clear the Province has significantly improved waiting times for residential care over the last 5 years. In 2001, the average waiting time for residential care was close to one year, while in 2005/06 the majority of clients were placed within 90 days. Beyond the 67 per cent of clients being admitted within 30 days of approval, 82 per cent were admitted within 60 days and 90 per cent were admitted to residential care within 90 days of approval.

The Ministry and the health authorities have been able to achieve this improvement by undertaking a significant redesign of home and community care services. Over the past five years, B.C. has been expanding its home and community care sector to modernize residential care, provide more independent housing options, improve home care and provide more options for end-of-life care. These services now provide a range of health care and support services for residents who have acute, chronic, palliative or rehabilitative health care needs. These services are designed to complement and supplement, but not replace, the efforts of individuals to care for themselves with the assistance of family, friends and community.

Since 2001, the Ministry, BC Housing and health authorities have been working in partnership with for-profit and non-profit housing and care providers to give British Columbia seniors and people with disabilities more options that provide the right care in the most appropriate setting. The Province has modernized and replaced old and outdated residential care facilities across the Province, and has also been opening new assisted living units for seniors and people with disabilities who can no longer live at home but do not require the 24/7 nursing care provided in residential care facilities. Enhanced home care, independent living options, adult day programs and hospice beds are also part of the broader continuum of services that are being made available to better meet the needs of today's seniors and people with disabilities. In addition, government updated and modernized the *Community Care and Assisted Living Act* to better protect the health and safety of seniors and people with disabilities who reside in licensed community care facilities and registered assisted living units.

British Columbia's population is aging and it is expected there will be increased demands on home and community care services in the future. To help address these future demands, the Ministry and its partners are committed to providing 5,000 new residential care, assisted living and supportive housing beds by December 2008.

Performance Measure: Waiting times for key services:

- a) radiotherapy;**
- b) chemotherapy**

Radiation therapy and chemotherapy are principal treatments in cancer care. Ensuring treatment is available and provided in a timely manner is important to achieving the best health outcomes for patients. This indicator measures the percentage of patients that begin radiotherapy within four weeks of being ready to treat and the percentage of patients who start chemotherapy within two weeks of being ready to treat.

Results:

Performance Measure	2002/03	2003/04	2004/05	2005/06 Target	2005/06 Actual	Results
Waiting times for key services:						
a) radiotherapy;	87.0% within four weeks	90.3% within four weeks	95.5% within four weeks	Maintain at or above 90% within four weeks	96.5%	Target Achieved
b) chemotherapy.	—	—	N/A ¹	90% within two weeks	85.1%	Substantially Achieved

DATA SOURCES: a) Radiotherapy: Provincial Radiation Therapy Program, April 2006, BC Cancer Agency (BCCA). Data for this measure is from the BCCA scheduling system. Not all patients are captured because the most urgent patients never show up on the scheduling system as they receive treatment immediately.

b) Chemotherapy: Provincial Systemic Therapy Program and Communities Oncology Network, April 2006, BCCA. Data involves all existing BCCA centres and does not include all hospitals in B.C.

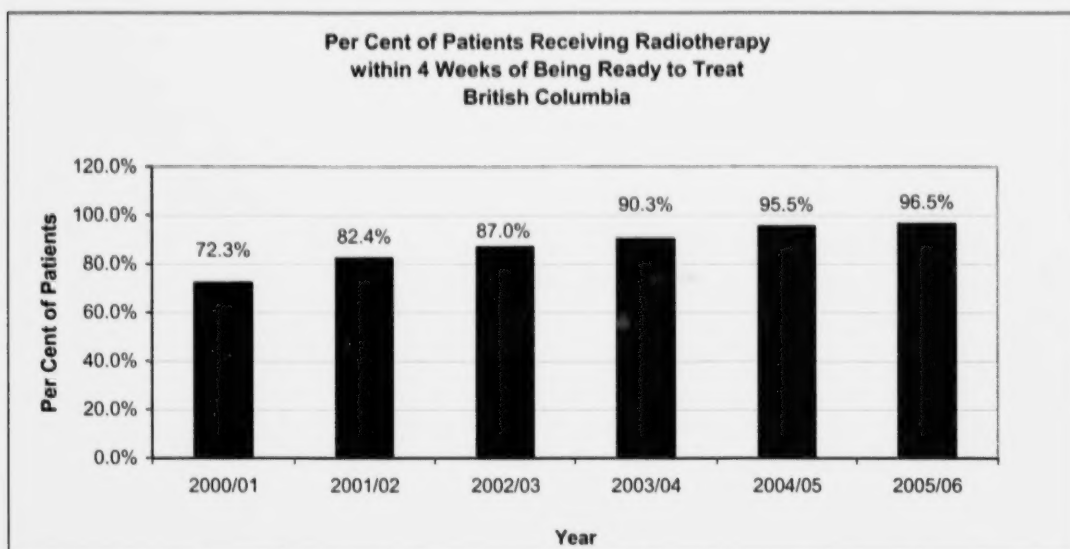
NOTES: ¹ New methods of data collection for chemotherapy were introduced in 2005/06. In previous years, the Ministry reported a result of 90% receiving treatment within two weeks based on BC Cancer Agency estimates.

Analysis:

Cancer services in British Columbia are primarily delivered through the BC Cancer Agency (BCCA). The Agency's cancer control program includes research, education, care and treatment, and is provided through its four regional centres in Vancouver, the Fraser Valley, the Southern Interior and on Vancouver Island. The BC Cancer Agency also has partnerships with other health care providers (physicians, pharmacists, nurses and others) and regional hospitals and clinics across B.C. to provide services to those who do not live in urban centres.

Radiotherapy

The 2005/06 target for radiotherapy wait times was for 90 per cent of patients to receive radiotherapy within four weeks of being ready to begin treatment. As the chart below shows, the 2005/06 target was exceeded with 96.5 per cent receiving treatment within four weeks. Over the past five years the percentage of patients receiving radiation treatment within four weeks has significantly increased from the rate of 72.3 per cent in 2000/01.



DATA SOURCE: Provincial Radiation Therapy Program, April 2006, BC Cancer Agency.

NOTE: 2005/06 partial year data.

These results are especially encouraging as demand for radiation therapy is growing as the B.C. population ages and the prevalence and incidence of cancer increases. The BCCA has been experiencing increasing demands on its services and is projecting a further increase in demand for cancer services in 2006/07 and beyond. Using the BC Cancer Registry, the BCCA projects the number of new cancers in B.C. will increase by 2.5 per cent annually from 18,600 (2003) to 23,540 (2012). Further, a report entitled, "Projections 2006–2020 British Columbia" estimates that new cancer diagnosis is expected to increase from 19,859 in 2006 to 27,041 in 2020.⁹

The increasing number of cancer cases is already resulting in increased demand for radiation therapy. The number of cancer patients receiving radiation therapy in B.C. increased from 10,318 in 2004 to 10,900 in 2005. In the same period, the number of radiation treatments also increased from 161,093 to 170,116. It is expected that demand will continue to increase in the coming years.

To help meet the demand, in 2005/06 the Province completed a \$20 million investment to improve radiation therapy services and increase cancer treatment access for patients. New equipment has been purchased for the radiation program, including:

- Two new linear accelerators, each with the capacity to provide approximately 9,000 individual treatments per year; a replacement linear accelerator; and renovations at the Vancouver Cancer Centre;
- Three replacement linear accelerators, a CT Simulator replacement, a 2D Simulator replacement and renovations at the Fraser Valley Cancer Centre;

⁹ BC Cancer Agency — Care & Research. May 2006. Projections 2006–2020 British Columbia.

- Treatment imaging hardware at the Vancouver Cancer Centre and the Fraser Valley Cancer Centre; and
- Treatment planning software upgrades for all four cancer centres.

This new equipment is enabling the BC Cancer Agency to increase its capacity to deliver radiation therapy and ensure British Columbians continue to receive the timeliest access to radiation treatment in Canada.

Chemotherapy

The 2005/06 target for chemotherapy treatment was for 90 per cent of patients to receive chemotherapy within two weeks of being ready to begin treatment. In B.C., about half of chemotherapy treatments are provided in therapy clinics residing within community hospitals and the other half is provided in chemotherapy centres managed by the BC Cancer Agency.

In 2005/06, 85.1 per cent of patients received chemotherapy treatment within two weeks of being ready to treat, which was below the provincial target of 90 per cent. More positively, 98.1 per cent of patients received chemotherapy within 4 weeks of being ready to treat.

Increased demand for cancer services, as noted above, is primarily responsible for the chemotherapy treatment indicator not meeting the provincial target of 90 per cent being treated within two weeks. To meet increases in demand and ensure British Columbians continue to receive the best standards of cancer care, the Cancer Agency is replacing and expanding the Province's cancer care infrastructure and also investing in leading edge research to prevent and treat cancers. The expansion of chemotherapy services includes adding six new chemotherapy chairs, extending treatment hours and expanding partnerships with hospitals to deliver chemotherapy treatment. In addition, work continues on the new Abbotsford Hospital and Cancer Centre which will be completed by 2008 and will provide enhanced services for residents of the Fraser Valley, the fastest growing region in B.C.

To assist cancer prevention and treatment, a new \$95 million BC Cancer Research Centre opened in Vancouver in 2005. The centre houses nine research departments and conducts research into more than 100 different types of cancer. Programs include the BC Cancer Agency's Michael Smith Genome Science Centre; Cancer Control Research; Cancer Endocrinology; Cancer Genetics and Developmental Biology; Cancer Imaging; Medical Biophysics; Terry Fox Laboratory; and BC Cancer Agency's Trev & Joyce Deeley Research Centre (located in Victoria).

Overall, British Columbians are well served by the BC Cancer Agency and continue to enjoy excellent cancer outcomes. The Cancer Advocacy Coalition, an independent Toronto-based cancer advocacy group, recently noted in its annual evaluation of cancer system performance that B.C. has the best cancer outcomes and lowest cancer mortality in Canada. The report found B.C. has the best-funded and most timely access to cancer drugs within a strong, well-organized, population-based, cancer control program coordinated by the BC Cancer Agency. The Coalition's report is available at <http://www.canceradvocacy.ca>.

Performance Measure: Proportion of patients admitted from an emergency department to an inpatient bed within 10 hours of the decision to admit

A hospital admission can either be planned, such as scheduled surgery, or unplanned, such as emergency cases. This measure focuses on unexpected hospital admissions that occur through hospital emergency departments. Many people are appropriately treated and released from emergency departments, but some people require an extended course of treatment and must be admitted to hospital. Measuring the amount of time from the decision to admit a patient from an emergency department to when the patient is admitted to an inpatient bed provides an indication of access to appropriate levels of care.

Results:

Performance Measure	2004/05	2005/06 Target	2005/06 Actual	Result
Proportion of patients admitted from an emergency department to an inpatient bed within 10 hours of the decision to admit. ¹	N/A ²	Establish Baseline ³	66% ⁴	Baseline Established

DATA SOURCE: Interior Health Authority: Meditech Data Repository and Abstracting. Fraser Health Authority: Meditech. Vancouver Coastal Health Authority: ED cubes for LGH, RH and VH and NERD cube for PHC. Vancouver Island Health Authority: Data provided by Vancouver Island Health Authority. Northern Health Authority: Emergency Department Information System (EDIS).

NOTES:

¹ Major hospital sites only. Major hospital sites are those with over 35,000 emergency room visits per year and include Burnaby, Kelowna, Lion's Gate, Nanaimo, Prince George, Richmond, Royal Columbian, Royal Jubilee, Royal Inland, St. Paul's, Surrey Memorial, Vancouver General and Victoria General Hospitals.

² This was a new measure in 2005/06 requiring new methods of data collection. As such, data are not available for previous years.

³ The 2005/06 target was changed from "increase over previous year" to "establish baseline" because comparable historical data was not available.

⁴ Calculated as the percentage of total cases across all major hospital sites admitted within 10 hours of the decision to admit.

Analysis:

In 2005/06, the Ministry began tracking performance in the emergency departments of B.C.'s major hospitals. This indicator is not a measure of how long it takes to be treated in these emergency rooms; rather it is a measure of the amount of time taken to admit a patient to a bed elsewhere in the hospital once the decision has been made in the emergency room that ongoing hospital care is required.

The 2005/06 data captured over 95,000 hospital admissions through emergency departments, with 66 per cent of those admissions occurring within 10 hours of the decision to admit. This data provides valuable baseline information as the Ministry and its partners strive to improve performance in the coming years.

The strategies the Ministry has been pursuing across the continuum of care, evident throughout this report, will ultimately contribute to easing demands on emergency rooms. Initiatives to promote good health, expand home and community care options and improve chronic disease management and mental health and addiction services are focused on keeping people healthy and providing care in settings other than hospitals. These initiatives improve people's quality of life while also helping to ensure our hospitals are used to provide emergency and acute care services that cannot be appropriately delivered elsewhere.

In addition, the Ministry is pursuing initiatives specifically targeted at addressing efficient patient movement through the emergency department and improving the flow of admitted patients to inpatient beds. Under the leadership of the Ministry, health authorities, physicians, nurses, paramedics and other health staff have come together to focus on developing and implementing strategies and initiatives that will diminish pressures that occur in emergency departments. Developing and implementing these strategies will be a significant priority for the Ministry in 2006/07, with an expectation that the percentage of patients admitted to hospitals through emergency rooms in a timely manner will increase from the 2005/06 baseline.

Objective 2: Patient-centred care tailored to meet the specific health needs of patients and patient sub-populations.

When people use the health care system it is important that the care they receive is centred on their needs and will lead to the best health outcomes. This means delivering services that are evidence-based and reflect best practice. Since one size does not fit all in health service delivery, the Ministry is working with health authorities and physicians to design and deliver customized care that addresses the unique needs of specific patient sub-populations. The Ministry's primary focus under this objective has been to improve the management of patients with chronic diseases and to provide more choices and better quality of care for those at the end of life.

Chronic diseases are prolonged conditions, such as diabetes, depression, congestive heart failure, hepatitis and asthma, which often do not improve and are rarely cured completely. It is estimated that over one million people in British Columbia currently suffer from one or more chronic diseases. These diseases can have a profound effect on the physical, emotional and mental well-being of individuals, often making it difficult to carry on with daily routines and relationships. However, in many cases, deterioration in health can be minimized by good care. Implementing patient-centred approaches to service delivery can improve quality of life and health outcomes for patients and provide better use of health services.

The Ministry is monitoring three key performance measures to monitor the effectiveness of the health system's approaches in these areas. Two measures relate to chronic disease management, and one is related to the availability of community services for those at the end of life.

Performance Measure: Chronic Disease Management — the percentage of patients suffering from congestive heart failure who are prescribed:
a) ACE (or ARB) inhibitors;
b) beta blockers

Over 75,000 British Columbians suffer from congestive heart failure (CHF) — a chronic disease where the heart is unable to pump enough blood to meet the needs of the body's tissues. Research shows ACE inhibitor and beta blocker drugs, in combination with other treatments, significantly improve health outcomes for congestive heart failure patients; however, the rate of prescriptions for these drugs has not been in line with the highest standard of care. Accordingly, the Ministry is working to increase appropriate prescription rates of ACE inhibitors and beta blockers for those with CHF.

Results:

Performance Measure	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06 Target	2005/06 Actual	Results
% of patients suffering from CHF prescribed:								
a) ACE (or ARB) inhibitors;	41.2%	44.9%	47.2%	48.9%	50.4%	57%	Data not yet available	Pending
b) beta blockers.	11.1%	13.3%	15.5%	17.5%	19.9%	24%	Data not yet available	Pending

DATA SOURCE: Physician Framework Supply (PFS), October 25, 2005, Information Resource Management, Medical Services Branch, Medical and Pharmaceutical Services, Ministry of Health. Discharge Abstract Database (DAD), October 25, 2005, Information Resource Management, Knowledge Management and Technology Division, Ministry of Health. PharmaNet, October 25, 2005, PharmaCare Branch, Medical and Pharmaceutical Services, Ministry of Health.

Performance Measure: Chronic Disease Management — the percentage of patients with diabetes who undergo at least two blood sugar (A_{1c}) tests per year

Diabetes is one of the most common chronic diseases. It affects about five per cent of British Columbians and is steadily increasing in prevalence. By taking two A_{1c} tests per year, patients and their physicians can be aware of abnormalities faster, and lower complication rates.¹⁰ With the right tools and information, patients with diabetes are aware of the

¹⁰ The hemoglobin A_{1c} test is a simple lab test that shows the average amount of sugar (also called glucose) that has been in a person's blood over the previous three months. The A_{1c} test shows if a person's blood sugar is close to normal or too high, and is a valuable tool for a health care provider to assess if a patient's blood sugar is under control.

importance of receiving two A_{1c} tests a year and are proactive in ensuring the tests are scheduled and the results discussed with their physician.

Results:

Performance Measure	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06 Target	2005/06 Actual	Result
% of patients with diabetes who undergo at least two A _{1c} tests per year.	38.4%	38.7%	38.9%	40.3%	42.1%	55%	Data not yet available	Pending

DATA SOURCE: Physician Framework Supply (PFS), October 13, 2005, Information Resource Management; Medical Services Branch, Medical and Pharmaceutical Services, Ministry of Health. Discharge Abstract Database (DAD), October 13, 2005, Information Resource Management, Knowledge Management and Technology Division, Ministry of Health. PharmaNet, October 13, 2005, PharmaCare Branch, Medical and Pharmaceutical Services, Ministry of Health.

Analysis: Chronic Disease Management Performance Measures:

At the time of publishing, data for 2005/06 are not available for either the congestive heart failure or the diabetes performance measures. However, historical data shows that both measures have been improving over the past few years. The Ministry is pleased to see these improvements in chronic disease management, and is working hard to realize further and more rapid gains in this area.

Chronic diseases are a significant burden on the population and the health system, and rates of chronic disease are continuing to rise. Quality care and management of chronic disease is essential to slowing the progression of the disease and keeping people healthy. Alternatively, the consequences of poor chronic disease management is deteriorating health for the individual and increased costs for the health system as more complex care is required to deal with advancing diseases. For instance in B.C., 39 per cent of coronary bypass surgeries, 49 per cent of dialysis, 62 per cent of lower limb amputations and 70 per cent of retinal surgeries are performed on patients with advancing diabetes.¹¹

The Ministry and its partners are taking a coordinated and multi-pronged approach to improving the quality of care to prevent or slow the progression of chronic diseases. The approach includes implementing disease prevention measures, providing tools help patients with self-management, improving standards of care and encouraging team approaches to care delivery.

B.C.'s prevention strategies, through the ActNow BC initiative, have been discussed under Goal 1 in this report. ActNow BC is targeting the risk factors leading to chronic disease and is key to reducing the prevalence of chronic disease in British Columbia.

Patient self-management of chronic diseases is crucial to achieving the best health outcomes. Health care can be delivered more effectively and efficiently if patients with chronic diseases

¹¹ Based on 2004/05 B.C. data.

take an active role in their own care and providers are supported with the necessary resources and expertise to better assist their patients in managing their illness. Accordingly, the Ministry has developed a number of tools and information sources to assist people in taking action to control pain and fatigue, use medications properly and incorporate diet, exercise and stress reduction into their daily routines. To further advance this aspect of chronic disease management, the Ministry has invested over \$2 million in a program delivered through the University of Victoria to provide self-management education and training to thousands of people across the Province.

The Ministry is also working with physicians and health authorities to improve the quality of care for those with chronic conditions. In 2005/06 government and the physicians of B.C. negotiated a new agreement that better supports full service family practice and specifically targets the management of chronic diseases. The new agreement provides additional incentives and payments for physicians to manage their patients' chronic conditions according to best practices and guidelines-based care. The new agreement also includes provisions for making the Chronic Disease Management Toolkit, which assists physicians to deliver best practice care, electronically accessible within physicians' offices.

With these initiatives and others in place, the Ministry is expecting to see continued improvement in the management of chronic diseases in British Columbia. For more information on chronic disease management, see the Ministry's website at <http://www.healthservices.gov.bc.ca/cdm/index.html>.

Performance Measure: Decrease in percentage of natural deaths occurring in hospital

As part of a comprehensive plan to improve end-of-life care, the Ministry monitors the percentage of natural deaths that occur in hospital.¹² A decrease in the percentage of natural deaths occurring in hospital serves as a proxy measure for improvements in the availability of a range of appropriate non-hospital choices for end-of-life care.

Results:

Performance Measure	2003	2004	2005/06 Target	2005 Actual	Result
% of natural deaths occurring in hospital.	55.7%	54.4%	Decrease over prior year	54.3%	Target Achieved

DATA SOURCE: Vital Statistics Agency, Knowledge Management & Technology Division, Ministry of Health.

NOTES: Data are reported by calendar year, not fiscal year. The Ministry is investigating the accuracy of reporting the location of deaths to Vital Statistics. Discrepancies may exist regarding the reporting of hospice and residential care deaths (may be incorrectly reported as hospital), which when rectified will affect the number of deaths reported as occurring in hospitals.

¹² A natural death is defined as occurring through natural causes (e.g., old age or disease). A non-natural death is defined as a death from non-natural causes (e.g., accidents, poisonings or suicides).

Analysis:

In 2005 the percentage of natural deaths occurring in hospital decreased slightly, continuing the decrease seen between 2003 and 2004. Results from the first quarter of 2006 indicate the percentage has decreased further, to 52.1 per cent.

End-of-life care is the specialized care of people who are dying, and is an integral part of a health system that meets the needs of people across their lifespan. Good end-of-life care is provided, where possible, in the setting of a person's choice and is delivered by coordinated teams of physicians, nurses and other health professionals such as pharmacists and nutritionists, and includes family input and volunteer services.

The major direction of the Ministry's end-of-life strategy is to enhance and improve care for all persons at end of life, and to focus on developing end-of-life services within a community-based system where the greatest emphasis is placed on supporting people to remain at home (i.e., private home, assisted living, supportive housing, or residential care) for as long as possible and in accordance with their preferences.

Across the Province, end-of-life services, including hospice and home-based palliative care, are being expanded to provide dying people with greater choice and access to services. The Ministry has worked with partners, including health authorities, physicians and the B.C. Hospice Palliative Care Association, to enhance and coordinate end-of-life services. In B.C., publicly funded end-of-life care includes care provided in palliative care units or hospices in hospitals, as well as care provided in a person's home or other community-based setting. To promote innovative palliative care services, the Ministry introduced the Palliative Care Drug Program in 2001, which provides medications, medical supplies and equipment to those who choose to die at home. Previously, those items were only covered if the patient receive care in hospital. The Palliative Care Drug Program is an important resource that allows health authorities and care providers to design programs to support people who choose to die at home or in settings outside the hospital. Over 21,000 clients have enrolled in the program since its introduction.

The Province's regional health authorities have been implementing new services for end-of-life care while engaging in longer term planning to ensure the appropriate community-based programs and specialized services, such as hospices, are in place to allow for patients needing care at end-of-life to be supported in settings outside hospital. The number of publicly subsidized hospice beds has increased from 57 to 145 since 2001, and more are planned. It is expected that over time the proportion of natural deaths occurring in hospital will continue to decrease as community-based services are enhanced.

Objective 3: Improved integration of health care providers, processes and systems to allow patients to move seamlessly through the system.

The health care system is very complex. The diversity of health care needs across the Province means the system is always caring for unique patients through different caregivers, in different settings, every day. The Ministry and its partners have been working to improve

the integration of those services so care can be provided in the most coordinated and seamless manner possible to the benefit of patients and health care providers.

Under this objective, particular attention has been focused on mental health and addiction services. People with mental illness or substance use disorders often must access various providers to receive care, and too many times end up in hospital emergency rooms. The Ministry and its partners are working to ensure services, from child and youth to adult programs, are integrated and available within patients' home communities to improve and simplify the patient experience with the health system, improve outcomes and maximize efficiency.

Performance Measure: Percentage of persons hospitalized for a mental illness or substance use disorder diagnosis that receive community or physician follow-up within 30 days of discharge

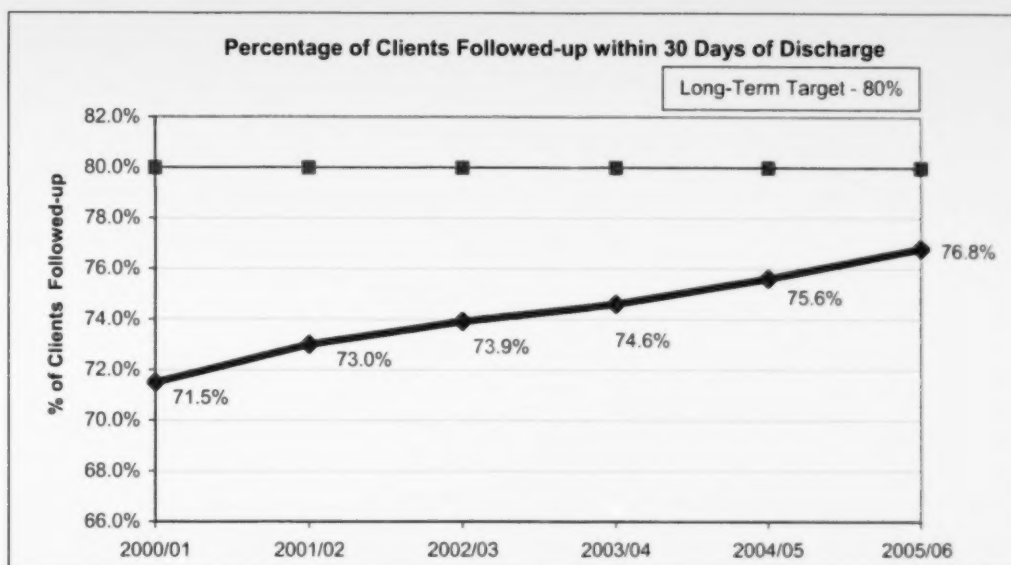
The intent of this measure is to assess the continuity in care for people who experience mental health and/or substance use disorder. A high rate of community and physician follow-up after a hospitalization for a mental illness or substance use disorder indicates well-coordinated, integrated and accessible care is being delivered. Service coordination and effective discharge planning is critical for improved outcomes for persons with mental health and substance use disorders.

Results:

Performance Measure	2002/03	2003/04	2004/05	2005/06 Target	2005/06 Actual	Result
% of persons hospitalized for a mental illness or substance use disorder diagnosis that receive community or physician follow-up within 30 days of discharge.	73.9%	74.6%	75.6%	Increase over previous year	76.8%	Target Achieved

DATA SOURCE: Mental Health Research Database: April 4, 2006 Refresh (data extracted April 4, 2006). MRR/CPIM Integration March 31, 2006. Discharge Abstract Database (DAD), March 25, 2006. Medical Services Plan fee-for-service database (MSP) payments to March 31, 2006. Information Resource Management, Knowledge Management and Technology Division, Ministry of Health.

NOTES: 2005/06 data are preliminary (partial year).



DATA SOURCE: Information Resource Management, Knowledge Management & Technology Division, Ministry of Health.

NOTES: 2005/06 partial year data.

Analysis:

The 30-day follow-up rate for the approximately 20,000 mental health and addictions clients discharged each year from hospital continues to increase, reaching 76.8 per cent in 2005/06 from 71.5 per cent in 2000/01.¹³ The increasing follow-up rate is important for the recovery and stability of patients discharged from hospitals as it indicates that patients are linked with appropriate community programs and resources for subsequent care, treatment and support.

An important facet of improving follow-up is to expand access and availability of mental health and addiction services in community settings and to ensure effective discharge planning processes are in place that link patients with community resources. Monitoring and working to increase the follow-up rate for mental health and addictions clients serves as a high-level gauge of whether the health system is meeting its objective of providing a full continuum of services within each health authority which better integrates primary, secondary, community and tertiary care.

Mental health has become a major public health concern worldwide, and the World Health Organization (WHO) has placed a high focus on the importance of mental health. The Global Burden of Disease Study (2001) estimates that mental and addictive disorders make up 12 per cent of the Global Burden of Disease — a burden greater than that for AIDS, tuberculosis and malaria combined (11.4 per cent). Of the ten leading causes of disability worldwide, five are mental disorders: Major Depression, Schizophrenia, Bipolar Disorder, Alcohol Use Disorder and Obsessive Compulsive Disorder.

¹³ Based on 2005/06 preliminary data.

Across Canada, mental illness represents one of the top categories of “frequent users” of emergency room services. In B.C., 2004/05 data indicates that approximately 19 per cent, or 632,000 individuals 20 years of age and over, received some treatment for a mental or substance use disorder. Mental health and addictions services operating expenditures across the B.C. health system for 2005/06 were approximately \$1.02 billion, an increase of 20 per cent since 2001/02.

British Columbia recognizes the importance of strong mental health and addiction services that meet people’s needs. Over the last five years, B.C. has established an integrated mental health and addictions system that includes: mental health promotion, outreach, early intervention and crisis response services, outpatient services, case management services, withdrawal management services such as inpatient/residential detox, home detox services, residential treatment, rehabilitation and support recovery services, methadone maintenance treatment, harm reduction services, community residential and family care homes, and supported housing programs, as well as specific mental health and addictions services for children and youth. This continuum supports people with mental health and addiction problems, and is strongly aligned with the government’s Great Goal to “*Build the best system of support in Canada for people with disabilities, those with special needs, children at risk, and seniors.*”

British Columbia’s approach to mental illness and addiction is also well aligned with recommendations made by the federal Senate Committee on Social Affairs, Science and Technology chaired by Senator Michael Kirby. The Committee’s extensive review of policies and programs relating to mental health, mental illness and addiction in Canada considered B.C. to be one of the leading jurisdictions in Canada working to improve mental health and addictions services. The Committee’s report can be found at http://www.hc-sc.gc.ca/hcs-sss/com/kirby/index_e.html.

Goal 3: A Sustainable, Affordable, Publicly Funded Health System.

This goal focuses on managing the health system to ensure it is affordable, efficient and accountable, with governors, providers and patients taking responsibility for the provision and use of services. The Ministry is guided in reaching this goal by four objectives: providing effective leadership and direction, making the right investments in information technology, ensuring appropriate human resources are in place, and managing the system’s finances. Work in these areas enables the health system to provide modern services to the people of British Columbia, and supports achievement of the Ministry’s other two goals of improving the health and wellness of British Columbians and delivering high quality patient care.

Two of the Ministry’s core business areas, Services Delivered by Partners and Stewardship and Corporate Management, undertake work in support of this goal.

Objective 1: Effective vision, leadership, direction and support for the health system.

The Ministry must provide clear strategic leadership, direction and support in order for the health system to function efficiently. In 2005/06 the Ministry undertook several strategies in support of this objective. The Ministry provided strategic direction through its service plan and through performance agreements with health authorities that articulated measurable expectations to guide the delivery of health services. The Ministry also ensured the appropriate legislative, regulatory and policy frameworks were in place to ensure health services were delivered safely and in the best interests of British Columbians.

In 2005/06 the Ministry also supported the delivery of high quality care by developing (with subject experts) and promoting the use of best practice guidelines, standards, benchmarks and protocols. As detailed earlier in this report, the Ministry has made particular progress in developing best practice tools to assist health providers and patients in the management of chronic diseases.

In addition, the Ministry also continued its support of health research. In 2005/06 the Ministry completed its commitment to provide \$100 million to the Michael Smith Foundation to expand health research in British Columbia. Promoting research supports the system in making evidence-based decisions and leads to continuous improvements in service delivery which benefits patients and the general population.

Performance Measure: Survey of health authorities regarding the Ministry's stewardship functions

The Ministry is committed to ensuring that administrative processes between itself and B.C.'s health authorities are achieving the desired results. Conducting a survey can be a useful information tool in assessing the effectiveness and efficiency of current processes.

Results:

Performance Measure	2004/05	2005/06 Target	2005/06 Actual	Result
Survey of health authorities regarding the Ministry's stewardship functions.	Develop process and survey tool	Implement survey	Survey implemented	Target Achieved

Analysis:

A survey of health authority executives and management was conducted late in the 2005/06 fiscal year through the BC Stats Agency. The Ministry and health authorities will use the survey findings (expected in July 2006) to identify areas where the efficiency and effectiveness of communications and processes can be improved. This exercise is part of a commitment to strive for continuous improvement in all areas of the health system. Improving administrative processes can ultimately have a positive effect on patient care and the health of the population.

Objective 2: Strategic investments in information management and technology to improve patient care and system integration.

The Ministry is committed to making strategic investments in information management systems and new technologies to support the health system in meeting its goals and objectives. Technology can improve system integration and efficiency, improve access to services across the Province, assist managers and practitioners to make evidence-based decisions, and help citizens access valuable health information in a timely and convenient manner. The Ministry has been working with its health system partners to realize the potential in each of these areas.

Performance Measure: Progress on provincial eHealth initiatives

In 2005/06 the Ministry released British Columbia's eHealth Strategic Framework, which outlines how eHealth initiatives will improve patient care; help health professionals deliver better, faster and safer care; and improve the efficiency of the health system. The Ministry's eHealth strategy comprises 22 projects grouped into nine areas — primary care, hospital care, home and community care, public health, laboratories, pharmacies, diagnostic imaging, telehealth and foundational projects — which will combine to build an integrated, electronic record of a patient's journey through the health system. The eHealth Strategic Framework can be found at

http://www.healthservices.gov.bc.ca/cpa/publications/ehealth_framework.pdf.

As part of the eHealth strategy, the Ministry entered into an agreement with Canada Health Infoway, an independent national organization that invests in electronic health record systems across Canada in partnership with provinces and territories. Infoway has conditionally agreed to allocate up to \$120 million to B.C. for eHealth initiatives between 2005/06 and 2008/09. The Ministry is providing an additional \$30 million over the same period.

In 2005/06 a number of key eHealth projects were initiated, including the Provincial Laboratory Information Solution (PLIS), the Integrated Electronic Health Record (iEHR), eDrug, telehealth, and Provincial Diagnostic Imaging projects. Each of these projects will help improve patient care and system efficiency. For example, PLIS will permit a patient's laboratory results to be available when and where needed across the Province, and ensure that costly duplicate testing will be virtually eliminated. The iEHR initiative will deliver critical, comprehensive electronic patient information to health care providers as needed for timely clinical decision making. The eDrug project will result in a patient's medication history being available to physicians anywhere in B.C., allow the most appropriate drugs to be electronically prescribed and transmitted to the patient's pharmacy of choice, and will mean potential adverse drug reactions will be very significantly reduced. Each of these projects, and all other eHealth projects, will also focus on safeguarding the privacy and security of personal information and will adhere to all applicable legislation protecting personal privacy.

B.C.'s eHealth strategy is modernizing the provincial health system, and will benefit both patients and health service providers.

Objective 3: Optimum human resource development to ensure there are enough, and the right mix of, health professionals.

To be sustainable the system must have enough, and the right mix of, health professionals to provide services today and in the future. The system must ensure health workers are employed in the most efficient and effective manner, and that their work environments are supportive of them delivering high quality services. As the population ages, so too does the health care workforce, which means many health system workers will be retiring at the same time as demand for health services continues to increase. Therefore, health human resource planning to meet both current and future needs is vitally important to the system's ability to deliver high quality care.

Performance Measure: Progress on health human resource initiatives

The Ministry has been working to address both short and long-term health human resource needs across the Province, and has made significant progress in many areas. To ensure the long-term supply of physicians, the Province has significantly expanded B.C.'s medical school program. B.C.'s annual intake for medical students was 128 in 2003. The medical school's expansion doubles the number of first-year spaces to 256 by 2007, with courses offered at the University of British Columbia, the University of Victoria and the University of Northern British Columbia. In 2005, a further expansion was announced with the new Okanagan medical program expected to add an additional 30 spaces by 2009.

The Ministry has also been expanding postgraduate medical education positions (residencies) to keep pace with the medical school expansions. Since July 2003, the Ministry has approved funding for 89 new residency positions. The number of entry-level residency positions will increase to at least 256 by 2011/12. In addition, the Province has expanded residency positions for international (foreign) medical graduates, and also introduced measures through the Provincial Nominee program to expedite immigration processes for foreign doctors. These expanded programs will allow more foreign-trained physicians to practice in areas of need in British Columbia.

Similarly, the Ministry has worked with the Ministry of Advanced Education to add over 2,500 new nursing education seats (over a 60 per cent expansion) since 2001. Further, since December 2001, almost 1,000 nurses have been funded through the Return to Nursing initiative and more than 1,200 Licensed Practical Nurses (LPN) have received funding through the LPN Upgrade Program. In addition, in 2005/06 B.C. added Nurse Practitioners to the provincial health system, with the first group graduating in May 2005. Nurse Practitioners are Registered Nurses with advanced education and skills. They perform the full range of nursing functions, as well as functions shared with physicians such as diagnosing and managing common acute and chronic illnesses, prescribing, ordering diagnostic tests and referring to specialists.

Government has also added almost 500 new educational spaces for allied health professionals throughout the Province in the last five years, and has developed a number of strategies that better support the education and deployment of pharmacists and paramedics, two of the largest groups of allied health professionals. Specialized software

is now providing pharmacists with a platform for on-line meetings and collaboration, making it easier for pharmacy professionals to participate in continuing education and other professional development activities. The B.C. Ambulance Service is moving forward with strategies that will provide more Advanced Care Paramedics, help paramedics deal with violence in the workplace and train high school students in CPR.

In late 2005/06 the Province reached agreements with all of the health sector bargaining associations as well as the British Columbia Medical Association. These agreements represent approximately 120,000 health workers across the Province and include doctors, nurses, paramedicals, community health workers and professional residents in B.C. Overall, more than 90 per cent of voting members supported these agreements. In addition to the collective bargaining process, government and association representatives held a series of policy discussions which have strengthened cooperation and ensured the labour agreements reflect the current concerns and interests of all parties. These joint policy tables will continue to meet and work together throughout the duration of the negotiated agreements.

Reaching these agreements is a significant accomplishment and signifies a new and improved relationship between labour and government in the health sector. These agreements provide a tremendous opportunity for the Ministry and its partners to move forward with health professionals and health workers to provide world-class health services for the people of British Columbia.

Objective 4: Sound business practices to manage within the available budget while meeting the priority needs of the population.

Sound financial and accountability practices are fundamental to delivering a high quality system and ensuring services are delivered that meet people's needs. To do so, the Ministry works with health authorities and other system partners to ensure their services and outcomes are aligned with government direction and policy.

To enable good management the Ministry provides three-year funding commitments to health authorities, updated annually, to allow them to plan and act with certainty. To ensure accountability, the Ministry develops and implements three-year performance agreements with health authorities that detail responsibilities and expectations for service delivery. In addition, the Ministry monitors and evaluates the delivery of physician services through the Medical Services Plan, prescription drug coverage through BC PharmaCare, and emergency services through the B.C. Ambulance Service.

The continuous evaluation and monitoring of health services and the health of the population is used by the Ministry to inform strategic direction and policy, and facilitate course correction where warranted.

Performance Measure: Actual expenditures do not exceed budgeted expenditures

B.C.'s health services budget has continued to grow — the Ministry's budget for 2005/06 was over \$11.4 billion and health spending consumed approximately 43 per cent of all government spending. It is important this funding is used wisely to provide the best care and achieve the best outcomes for patients. The Ministry monitors financial status throughout the year so any problems can be identified and addressed, and ensures overall costs remain within its budget. Staying within the budget provides a high-level indication of whether the health system is well managed and on a sustainable path.

Results:

Performance Measure	2004/05	2005/06 Target	2005/06 Actual	Result
Actual expenditures do not exceed budgeted expenditures.	Expenditures within budget	Manage within budget	Expenditures within budget	Target Achieved

Analysis:

Ministry of Health expenses did not exceed budgeted expenses for 2005/06. For details, please see the Report on Resources on page 54.

Deregulation Summary

In 2001, government committed to reduce the overall regulatory burden in B.C. by one-third, to be consistent with global trends in regulatory reform and management. That target has been met, and the Ministry of Health has continued to contribute to government's intention to maintain a "0" net increase to the baseline regulatory count. The Ministry has continued to identify regulatory reduction and reform opportunities, and focus on improving regulations to ensure they are consistently results-based, cost-effective, flexible and promote competitiveness and innovation while maintaining a firm commitment to public health and safety.

At the conclusion of the three-year Deregulation Initiative, June 5, 2004, the Ministry of Health had a baseline regulatory count of 7,744. As of March 31, 2006, the Ministry had a regulatory count of 7,613. This represents a net decrease of 131 regulatory requirements below the baseline.

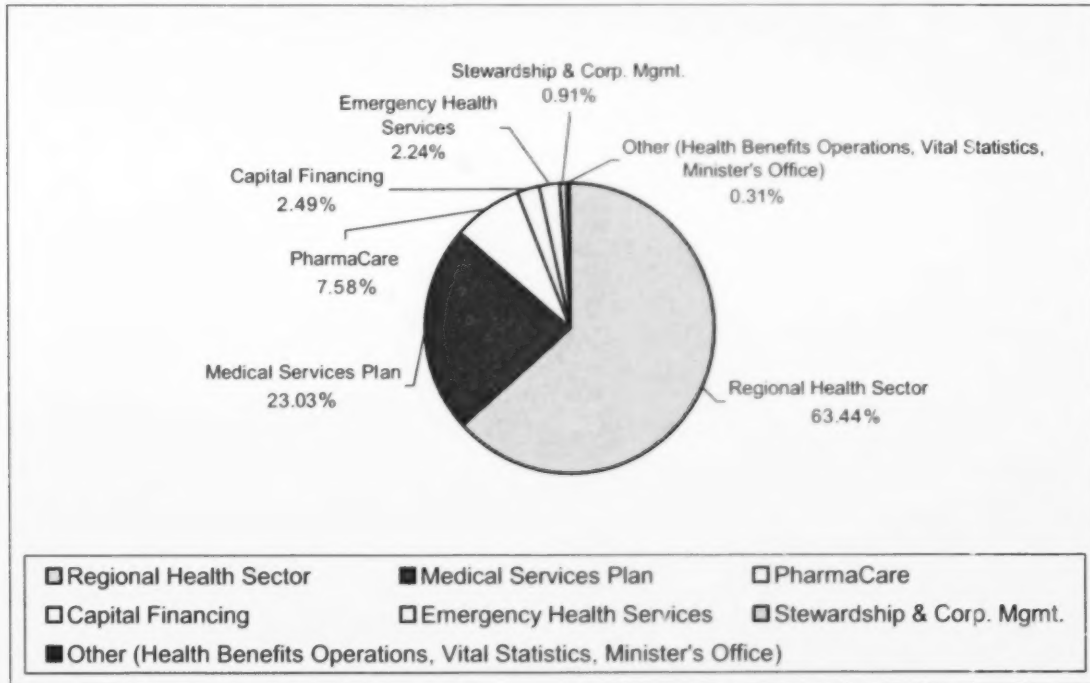
Report on Resources

Resource Summary Table 2005/06

	Estimated	Other Authorizations	Total Estimated	Actual	Variance
Operating Expenses (\$000)					
Services Delivered by Partners					
Regional Health Sector Funding.....	7,239,659		7,239,659	7,250,617	10,958
Medical Services Plan.....	2,627,065		2,627,065	2,631,857	4,792
PharmaCare.....	889,547		889,547	867,032	(22,515)
Debt Service Costs.....	169,500		169,500	133,884	(35,616)
Amortization of Prepaid Capital.....	152,908		152,908	151,002	(1,906)
Health Benefits Operations.....	28,213		28,213	29,231	1,018
Sub-Total	11,106,892	0	11,106,892	11,063,623	(43,269)
Services Delivered by Ministry					
Emergency Health Services.....	253,523		253,523	256,854	3,331
Vital Statistics.....	6,786		6,786	6,013	(773)
Sub-Total	260,309	0	260,309	262,867	2,558
Executive and Support Services					
Minister's Office.....	567		567	554	(13)
Stewardship and Corporate Management.....	102,730		102,730	103,616	886
Sub-Total	103,297	0	103,297	104,170	873
Recoveries — Health Special Account..	(147,250)		(147,250)	(147,250)	0
Total Vote 34 — Ministry of Health	11,323,248	0	11,323,248	11,283,410	(39,838)
Health Special Account.....	147,250		147,250	147,250	0
Sub-total — Operating Expenses	11,470,498	0	11,470,498	11,430,660	(39,838)
Reversal of Prior Year Over Accruals ¹ ..				(13,257)	(13,257)
Total — Ministry of Health	11,470,498	0	11,470,498	11,417,403	(53,095)

¹ Reversal of prior year over accruals is the total amount written off for prior years' accruals that are no longer valid. The credit was not available for spending.

The Ministry of Health 2005/06 budget was \$11.470 billion. The actual operating expenditures for the fiscal year ending March 31, 2006 are \$11.430 billion, resulting in an operating variance of \$40 million. Additionally, the Ministry reversed \$13 million of prior years' accruals, resulting in a total surplus position of \$53 million; however, the reversed amounts were not available for spending.



Operating Expense Variance Explanations

Regional Health Sector Funding: The deficit was primarily due to increased investments across the continuum of care by health authorities. Investments included increasing access and reducing waiting times for surgeries, enhancing home and community care, implementing the nursing strategy and providing life support programs.

Medical Services Plan: The deficit is primarily due to increases in fee-for-service billings by physicians.

PharmaCare: The surplus in PharmaCare is primarily related to lower than anticipated Fair PharmaCare utilization increases.

Debt Service Costs: The debt servicing surplus at year-end is due to lower debt balances, lower than anticipated interest rates and higher sinking fund recoveries.

Emergency Health Services: The deficit is due to additional costs for staffing, air ambulance services, provincial operations, and building occupancy.

	Estimated	Other Authorizations	Total Estimated	Actual	Variance
Full-time Equivalents (Direct FTEs)					
Health — Ministry Operations					
Emergency Health Services	1,999		1,999	1,964	(35)
Stewardship and Corporate Management	680		680	651	(29)
Minister's Office	6		6	6	0
Vital Statistics	85		85	78	(7)
Total Ministry of Health	2,770	0	2,770	2,699	(71)

The FTE budget was 2,770 in 2005/06. Utilization was 2,699 resulting in a surplus of 71 FTE's due to lower than anticipated utilization in emergency health services and recruitment lag elsewhere in the Ministry.

	Estimated	Other Authorizations	Total Estimated	Actual	Variance
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)					
Health — Ministry Operations					
Stewardship and Corporate Management	44,510		44,510	14,040	(30,470)
Emergency Health Services	15,490		15,490	10,128	(5,362)
Vital Statistics	550		550	269	(281)
Total Ministry of Health	60,550	0	60,550	24,437	(36,113)

The Consolidated Revenue Fund Capital budget was \$60.550 million in 2005/06. The surplus is mainly due to deferred information systems projects.

	Estimated	Other Authorizations	Total Estimated	Actual	Variance
Consolidated Capital Plan (\$000)					
Prepaid Capital Advances	280,000	31,088	311,088	311,088	0
Total Ministry of Health	280,000	31,088	311,088	311,088	0

The budget for prepaid capital advances was \$280 million. During the year, the budget was increased by \$31.088 million to implement a 2005 agreement for replacement funding for the Greater Vancouver Regional Hospital District.

	Estimated	Other Authorizations	Total Estimated	Actual	Variance
Other Financing Transactions (\$000)					
Health Innovative Incentive Program					
Receipts.....	769		769	769	0
Disbursements.....	0		0	0	0
Net Cash Source/Requirements.....	769		769	769	0

The financing transaction recovery totaling \$0.769 million was received in 2005/06 from the Vancouver Island Health Authority as the third in a series of repayments for the reimbursement of funds provided to the authority in a prior year for its Picture Archiving and Communication System.

Health Authorities Included in the Provincial Reporting Entity

As required under the *Budget Transparency and Accountability Act*, British Columbia's six health authorities are included in the government reporting entity. The health authorities have been primary service delivery organizations for the public health sector for several years and many of the performance measures and targets included in the Ministry's service plan are related to services delivered by the health authorities. The majority of the health authorities' revenues and a substantial portion of the funding for capital acquisitions are provided by the Province in the form of grants from Ministry budgets.

Health Sector	2005/06 Budget	2005/06 Actual	Variance
2005/06 Combined Income Statement (\$000)			
Total Revenue¹	8,618,000	9,087,411	469,441
Total Expense²	8,618,000	9,085,274	467,274
Operating Results	0	2,167	2,167

NOTES: This combined income statement is based on audited financial statements from six health authorities and 10 hospital societies. Numbers do not include the eliminating entries required to consolidate these agencies with the government reporting entity.

¹ Revenue: Includes provincial revenue from the Ministry of Health, plus revenues from the federal government, co-payments (which are client contributions for accommodation in care facilities) and fees and licences.

² Expenses: Provides for a range of health care services, including acute care and tertiary services, residential care, mental health services, home care, home support, and public health programs.

Capital Investment

The province's six health authorities and the Ministry collaborate on financial and infrastructure planning to ensure capital investments in the health system are strategic and cost-effective. Recognizing the significant cost and long lifespan of most capital investments — both in acquisition and use — the Ministry and health authorities are moving toward a comprehensive ten-year capital planning process that is aligned with other health sector planning. This change in the planning horizon will enable the Ministry to better anticipate future demand for health services, resulting from a growing and aging population and medical and technological innovations, and to plan and prioritize long-term capital investments accordingly.

In 2005/06, health sector projects included expanding hospital and community services, expanding BC's medical school, purchasing high tech medical equipment, and investing in information management technology to support B.C.'s eHealth strategy.

Major Capital Projects

A major capital project is defined as any capital commitment or anticipated commitment that exceeds \$50 million. In 2005/06, the Ministry's commitments that exceeded \$50 million were:

Vancouver General Hospital Redevelopment (VGH) — Vancouver Coastal Health Authority

Objective: The hospital redevelopment is to consolidate patient services and clinical expertise to assist in meeting patient care needs over the next 20 years or more.

Benefits: Anticipated benefits are new patient areas and consolidation of hospital services within the Centennial Pavilion and the Jim Pattison Pavilion to create a modern and efficient hospital environment for enhanced patient care and accessibility.

Cost and Timeline: The total capital cost is \$156 million, and the project is expected to be completed in 2007.

Academic Ambulatory Care Centre (AACC) — Vancouver Coastal Health Authority

Objective: The AACC is a state-of-the-art, 11-storey, 365,000-square-foot facility planned for the Vancouver General Hospital (VGH) site. The project will be completed through an agreement with Access Health Vancouver (AHV), a team of companies selected through an open competitive process.

Benefits: The AACC will provide single-site access to a range of outpatient (ambulatory) services along with undergraduate and post-graduate medical education facilities, teaching physician/specialist practice offices, and related commercial/retail activities. The facility is expected to support several hundred medical students, approximately 580 medical and health professionals, and an estimated 600,000 patient visits annually.

Cost and Timeline: The capital cost for the project is estimated at \$95 million. Construction commenced in October 2004 and is scheduled for completion in 2006.

For more information on the Academic Ambulatory Care Centre project, please see the Ministry's website at <http://www.healthservices.gov.bc.ca/cpa/publications/index.html>.

Abbotsford Regional Hospital and Cancer Centre — Fraser Health Authority and Provincial Health Services Authority

Objective: The Abbotsford Regional Hospital and Cancer Centre (ARHCC) will be a new 300-bed facility that replaces the current 202-bed Matsqui-Sumas-Abbotsford (MSA) hospital, which is aging, physically obsolete, and not suitable for expansion.

Benefits: The new hospital and cancer centre will provide enhanced programs and services to meet the needs of Fraser Valley residents, and will also help to recruit and retain health professionals. ARHCC includes integration of a new cancer treatment centre that will be part of the provincial network operated by the BC Cancer Agency.

Cost and Timeline: The capital cost of the project is estimated to be \$355 million. The Fraser Valley Regional Hospital District is contributing \$71.3 million towards the project. Construction, which commenced in December 2004, is expected to end in spring 2008, with the facility opening for patients in Summer 2008.

For more information on the Abbotsford Regional Hospital and Cancer Centre project, please see the Ministry's website at: <http://www.abbotsfordhospitalandcarecentre.ca>.

To see Partnerships British Columbia's value for money report on the project, go to: <http://www.healthservices.gov.bc.ca/cpa/publications/PBCAbbotsford.pdf>.

Investments Across the Province

In addition to the major capital projects listed above, significant capital investments to improve B.C.'s health system have been made by the Ministry, health authorities, regional hospital districts, foundations and other funding partners. The following are some examples of those investments.

Fraser Health Authority

- Investments to help address congestion in the Emergency Department at Surrey Memorial Hospital, including a minor treatment unit adjacent to the emergency room, which opened in December 2005 (\$4.8 million).
- A new 10-bed critical care unit, completed in November 2005, at Royal Columbian Hospital (\$1.1 million).
- Expanding and redesigning the Delta Hospital Emergency Department and Surgical Day Care. The \$6 million project is scheduled for completion in 2006.

Interior Health Authority

- Redeveloping the Royal Inland Hospital in Kamloops. The \$27.5 million project doubles and modernizes the ER and medical imaging departments and includes renovations to numerous outpatient areas such as pharmacy, vascular, and orthopaedic clinics, pathology and the nuclear medicine department. The Regional Hospital District and Hospital Foundation are major funding partners for this project, which is scheduled for completion in 2006.
- Expanding the East Kootenay Regional Hospital in Cranbrook to enhance its Regional Health Care Centre role. The addition will expand and upgrade the Emergency, Ambulatory Care and Diagnostic Imaging departments. The \$32 million project is scheduled for completion in 2007.
- Building a \$17 million, 44-bed tertiary mental health facility located on the grounds of the Royal Inland Hospital in Kamloops that opened in early 2006. It contains three separate programs, including: a 10-bed psychiatric intensive care unit, a 10-bed secure care unit, and a 24-bed geriatric psychiatric unit.

Northern Health Authority

- Renovating and building an addition to the Prince George Regional Hospital to accommodate a special care nursery, a combined labour delivery and maternity unit and improvements to pediatric and pediatric ambulatory care. The project has a budget of \$12.5 million and is scheduled for completion in 2006.
- Upgrading emergency and intensive care services at the Mills Memorial Hospital in Terrace. The \$1.9 million project, with funding from government and the Regional Hospital District, was completed in early 2006.
- Relocating the Intensive Care Unit at the Prince Rupert Regional Hospital to improve workflow and work processes. The \$2.4 million project is scheduled for completion in 2006.

Vancouver Coastal Health Authority

- Redesigning the Vancouver General Hospital Emergency Room to improve treatment efficiency and patient care. The \$3.3 million project is scheduled for completion in 2006.
- Improving Richmond Hospital's management of severe respiratory illness through a \$2.2 million project to provide upgraded isolation capability. The 2003 SARS outbreak emphasized the need to safely manage potential infectious disease cases. The project is scheduled for completion in 2006.
- Expanding the mental health program by 15 beds at St. Paul's Hospital in Vancouver through a \$4.2 million project.

Vancouver Island Health Authority

- Aberdeen Primary Health Care Centre is a \$14.4 million, 12-bed 'respite hotel' and a seniors' primary care centre. It is an innovative project that combines assisted living accommodation that is owned and operated by Victoria Cool Aid Society.

- Island Medical School projects are under construction at Royal Jubilee and Victoria General Hospitals. The \$7 million projects are to be completed in September, 2006 to accept the medical students that are part of the medical school expansion established in 2004 at the University of Victoria.
- Redeveloping Nanaimo Regional General Hospital which includes a \$23 million surgical expansion completed in April 2005 and the new \$12 million perinatal services component to be completed in 2007.

Provincial Health Services Authority

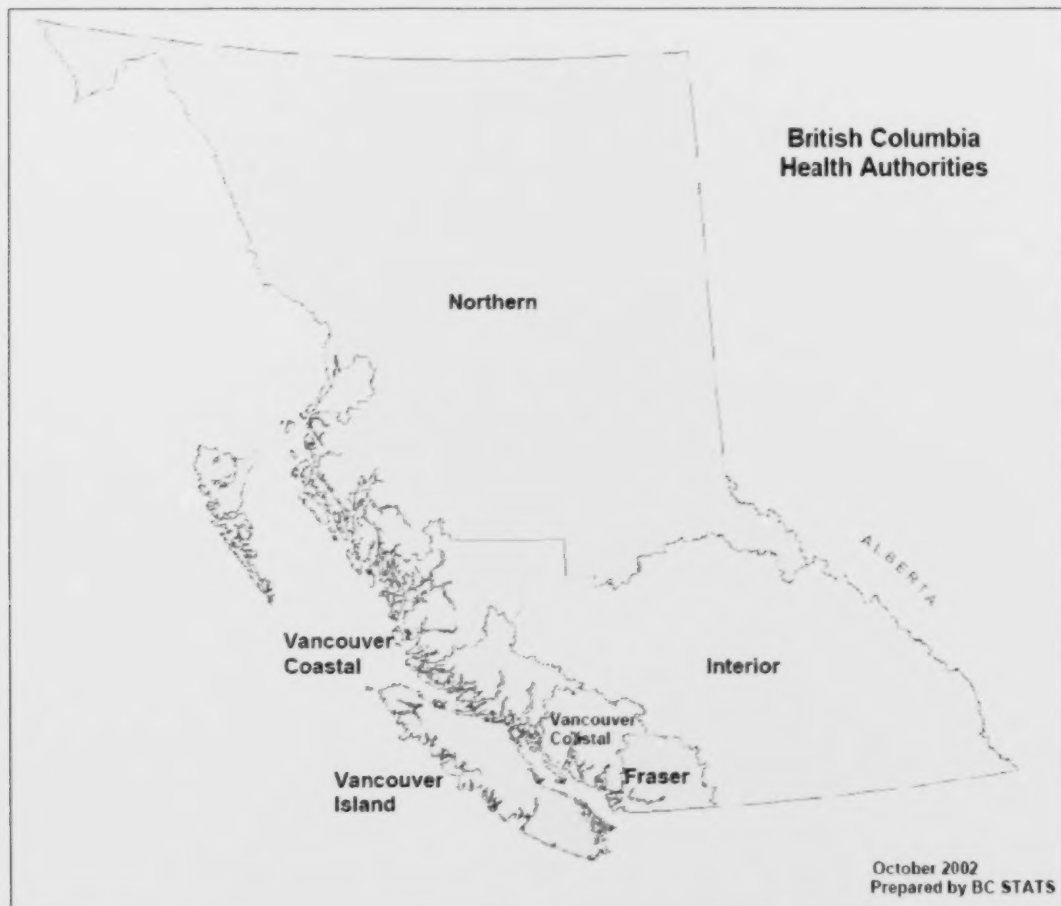
- The Child, Adolescent and Women's Mental Health Centre will open in 2006, and will provide a full range of mental health assessment and treatment services including a child and adolescent psychiatric emergency unit, outreach services, specialty clinics and an eating disorders program. The total project cost is \$19 million.
- Enhancing disease control through a \$4.6 million project to consolidate lab functions at the BC Centre for Disease Control to a single site.
- Expanding the Radiation Therapy Annex at the Vancouver Cancer Centre. The \$7.8 million project includes construction of four underground linear accelerator treatment vaults with associated patient waiting and change areas, plus an exam room.

Appendix 1

Profiles of British Columbia's Six Health Authorities

British Columbia has six health authorities that, in conjunction with the Ministry of Health, manage and deliver most publicly funded health services in the Province. Responsibility for local health services, such as home and hospital care, rests with five regional health authorities. The sixth health authority, the Provincial Health Services Authority, is responsible for providing province-wide specialized services, and for supporting the regional health authorities with their service delivery.

Figure 1: Map of B.C. Health Authorities



Interior Health Authority (IHA)

Web Address: <http://www.interiorhealth.ca>

2005 Population: ¹⁴ 717,012

IHA serves a large geographic area, which ranges from densely populated to scarcely populated areas. IHA covers a region that stretches from Williams Lake to the U.S. border and from Anahim Lake in the Chilcotin to the Alberta border. The mixture of population density provides challenges to effectively delivering health care services to the region's residents.

Fraser Health Authority (FHA)

Web Address: <http://www.fraserhealth.ca>

2005 Population: 1,466,328

FHA consists of a small geographic area with a high population density. Its borders stretch eastward from Delta to Burnaby to Boston Bar and southward to the U.S. border. Over the past 10 years FHA has experienced significant population growth and currently represents about 34 per cent of B.C.'s population. This historic and projected population growth, compounded by an aging population has created increased demands for health care services in this region.

Vancouver Coastal Health Authority (VCHA)

Web Address: <http://www.vch.ca>

2005 Population: 1,040,614

Similar to FHA, VCHA is small in geographic area with a high population density. VCHA serves residents in Vancouver, Richmond, the North Shore and communities in the coastal region, including: Squamish and Whistler along the Sea-to-Sky Highway; Gibsons and Sechelt on the Sunshine Coast; and Powell River, Bella Bella and Bella Coola. VCHA also partners with Providence Health Care in Vancouver.

Vancouver Island Health Authority (VIHA)

Web Address: <http://www.viha.ca>

2005 Population: 723,002

VIHA serves the residents of Vancouver Island, the Gulf and Discovery Islands and the residents of the mainland located adjacent to the Mount Waddington and Campbell River areas. Almost half of Vancouver Island's population lives in and around the provincial capital of Victoria, at the southern end of Vancouver Island.

¹⁴ Population estimates for all Health Authorities obtained from BC STATS. (P.E.O.P.L.E. 30) 2004. Ministry of Labour and Citizens' Services.

Northern Health Authority (NHA)

Web Address: <http://www.northernhealth.ca>

2005 Population: 307,566

NHA covers almost two-thirds of B.C., and is bordered by the Northwest and Yukon Territories to the North, and the B.C. interior to the South, and Alberta to the East, and Alaska and the Pacific Ocean to the West. The primary challenge for NHA is to administer and provide quality services across a large, sparsely populated region with significant recruitment and retention issues due to its Northern location.



*Ministry of
Labour and Citizens' Services*

**2005/06
Annual Service Plan Report**



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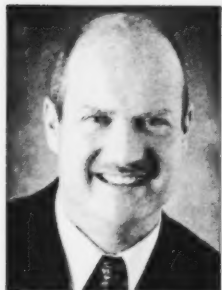
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Message from the Minister and Accountability Statement

The past year has been a positive one for the Ministry of Labour and Citizens' Services. Ours is a ministry that is diverse in its scope, but all parts of the ministry have a common focus — providing excellent service to the citizens of British Columbia. We are proud of what we've accomplished together.

In fiscal 2005/2006, confidence in the provincial economy remained high — one of the benefits of a stable labour climate. The government continued to promote and encourage effective labour relations in both the public and private sectors. In the public sector, labour negotiations met with unprecedented success. More than 50 agreements were successfully negotiated before March 31, 2006 covering more than 75 per cent of public sector employees.

More people than ever are at work in B.C., and WorkSafeBC continues to be responsive to the needs of the province's workers and employers.

In our forests, workplace safety is of great concern. While there is no simple way to completely eliminate the risks from what is inherently hazardous work, we continued to look for solutions in consultation with the industry and its stakeholders. For its part, WorkSafeBC has increased compliance activities in a number of sectors. WorkSafeBC has also initiated TruckSafe, a broad-based strategy to help eliminate or reduce serious injuries and deaths involving commercial vehicles on our roads.

A backlog of more than 22,000 appeals was also virtually eliminated in March 2006, thanks to the hard work of staff at the Workers' Compensation Appeal Tribunal. This provides more certainty for workers who often had outstanding appeals lingering in the system for years.

The ministry continued to lead the transformation of how services are delivered across government, and to improve upon the quality of services our citizens receive. One of the significant accomplishments this past year was the creation of the prototype for FrontCounter BC in Kamloops, a one-stop service centre to better serve clients of provincial natural resource ministries and agencies. FrontCounter BC was subsequently transferred to the Integrated Land Management Bureau with additional offices opened in Prince George, Nanaimo and Surrey.

In a similar approach, Shared Services BC brings together a wide range of services that include purchasing, payroll, information technology and, most recently, accommodation and real estate services. Expanding the shared services approach will further reduce costs and duplication, freeing up ministries and agencies to focus on delivering more and better services.

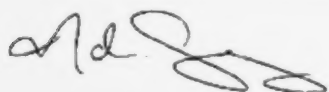
New information technologies not only hold great promise for changing how government services are delivered, they also have tremendous impact on people's daily lives. To maximize the benefits of those technologies, citizens, businesses and communities need access to affordable high-speed Internet services. Through Network BC, the Province

continues to bridge the digital divide in rural and remote regions. Under a landmark agreement with TELUS, broadband Internet will soon be available in all 366 communities identified by the Premier's Technology Council.

With rapid advances in technology comes the need for comprehensive laws around the protection of privacy and personal information. British Columbia's privacy legislation is among the strongest of its kind in the world while continuing to ensure a high degree of openness and transparency in the actions of government.

These successes have been realized through the hard work of ministry staff, all of whom I applaud for their efforts. I would also like to recognize the contributions made by colleagues in other ministries and by our partners outside of government. Over the coming year, the Ministry of Labour and Citizens' Services will continue to build upon these achievements to deliver services that are citizen-centred, to the benefit of all British Columbians.

The 2005/06 Ministry of Labour and Citizens' Services Annual Service Plan Report compares the actual results to the expected results identified in the ministry's 2005/06 – 2007/08 Service Plan Update. I am accountable for the results as reported.



Honourable Michael de Jong
Minister of Labour and Citizens' Services

June 30, 2006

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About this Report

The approach used in presenting this 2005/06 Annual Service Plan Report is to provide a ministry overview of the core business areas and the strategic foundation, including the vision, mission, values and the resource summary.

Three sections — Service Delivery, Strategic Context and Report on Performance are provided separately for the Labour and the Citizens' Services components of the ministry.

Purpose, Vision, Mission and Values

Purpose

The Ministry of Labour and Citizens' Services comprises two distinct organizations. Labour provides services to employees, employers, unions, and businesses in British Columbia to build a modern work environment; and, Citizens' Services plays a key role in improving how government services and information are delivered to meet the needs of citizens, business and the public sector.

Below are the new vision, mission and value statements as revised in the ministry's 2006/07 – 2008/09 Service Plan.

Vision

British Columbia will be a leader in Canada and recognized internationally for excellence in public service delivery.

Mission

The mission is two-fold:

- Labour will create an employment environment that meets the needs of workers, employers and unions and foster working relationships in safe and healthy workplaces; and
- Citizens' Services will transform public services to make them cost-effective, accessible and responsive to the needs of citizens and business.

Values

Integrity

- Individuals are treated with fairness, dignity and respect.
- We are open and honest.

Service Excellence

- We work to know our customers and treat them as partners.
- We are flexible, innovative and proactive.

Results-Oriented

- Performance is measured to ensure cost-effective business outcomes and value-added results.
- We make and keep our commitments — we get the job done.

Teamwork

- We collaborate to achieve corporate goals.
- Individuals and teams that achieve results and demonstrate creativity and calculated risk-taking are recognized.

Work Life Balance

- We support employees in balancing their personal and work commitments.

Core Business Areas

This section of the Annual Service Plan Report relates directly to the Resource Summary which outlines expenditures by core business area.

Labour

Labour's focus is to foster positive working relationships in safe and healthy workplaces, and to support strong and vibrant provincial economic development and employment growth. Labour works with employers, organized labour and other key stakeholders to provide progressive policy directions to advance overall government priorities for promoting harmonious and productive labour relations and labour stability in the province. This productive dialogue between the ministry and its stakeholders in the labour relations community will continue. Labour also supports the Great Goal of creating more jobs per capita than anywhere else in Canada.

Labour's core programs focus on the development, implementation and enforcement of employment standards, workplace safety and labour relations rules.

Employment Standards

Employment Standards activities aim to increase compliance with the *Employment Standards Act*. Specific initiatives such as targeted education and enforcement in sectors where vulnerable workers are concentrated, are being undertaken to enhance the prevention component of the Employment Standards Branch's (ESB) operations.

Industrial Relations

Labour oversees the fair administration of B.C.'s industrial relations to promote a healthy labour relations environment. The Labour Relations Board (LRB), an independent quasi-judicial tribunal, will continue to enhance procedures to handle disposition of complaints in an efficient and timely manner. The Employment Standards Tribunal (EST), also an independent quasi-judicial tribunal, with a mandate to conduct appeals of determinations, is also part of this core business area.

WorkSafeBC

Labour is responsible for the *Workers Compensation Act* (WCA), which provides a framework for promoting safe and healthy workplaces and sets out the workers' compensation system for British Columbia. WorkSafeBC (formerly known as the Workers' Compensation Board) is an independent agency that administers the *Workers Compensation Act* and its Occupational Health and Safety Regulation. Within the Ministry, the Workers' Advisers Office and the Employers' Advisers Office provide advisory services and support

to the worker and employer communities. The Workers' Compensation Appeal Tribunal (WCAT), an independent agency of the Government of British Columbia, which is the final appeal body within the workers compensation system, is also part of this core business area.

Citizens' Services

Citizens' Services plays a leading role in continuously improving the way government services and information are delivered to the public, other ministries and the broader public sector.

Service Delivery to Citizens and Businesses

This core business area is led primarily by Service BC, the provincial government's chief provider of front-line services to the public. When citizens, businesses or visitors are looking for information about services or programs offered by ministries, agencies, the private sector or other governments, they often begin by contacting Service BC. Customers can connect in person, by phone or on-line. By using one or a combination of these "channels", they can access programs, services and information in ways that suit their personal and business needs.

Shared Services BC (formerly Public Service Operations)

This core business area is the internal shared service provider for government and other public sector customers. For a government to function it needs basic tools: facilities; furniture; computers; phones; printers; email; and paper — just to name a few. In addition, employees must be paid; invoices and purchase orders processed; mail processed and distributed; documents printed; and office products obtained and distributed. As of April 1, 2006 accommodation and real estate services (formerly BC Buildings Corporation) will provide services through Shared Services BC. This organization ensures these shared services are delivered cost-effectively, efficiently and with a customer focus.

Service Transformation

This core business area is led primarily by Network BC, the Service Delivery Initiative Office (SDIO) and the Alternative Service Delivery (ASD) Secretariat. Programs and services focus on facilitating and leading a co-ordinated approach to service transformation across government.

Governance

Led by the Office of the Chief Information Officer (CIO), this core business area is responsible for ensuring that government information is managed and used efficiently as an asset to enable better delivery of services to citizens, businesses and the public sector. It is responsible for ensuring the security of government's information and applications and for the corporate privacy and information access functions of government, including the *Freedom of Information and Protection of Privacy Act*, the *Personal Information Protection Act*, the *Document Disposal Act*, and the *Electronic Transactions Act*.

Executive and Support Services

This area provides corporate advice, strategic direction, leadership and support to ministry programs. This includes legislative and policy support, planning and performance management and internal communications. This area consists of the Minister's Office, Deputy and Associate Deputy's Offices, Policy Development and Corporate Planning and Performance. Support to the ministry in the areas of strategic human resources, information management and financial management is provided by the Corporate and Ministry Support Services Division, whose budget is reported by the Ministry of Finance.

Labour

Service Delivery

Labour's mandate is to foster positive working relationships in safe and healthy workplaces, and to support strong provincial economic development and employment growth.

This mandate flows directly from the legislation that the ministry administers, including the *Labour Relations Code*, the *Employment Standards Act*, and the *Workers Compensation Act*. (See Appendix 3 for a complete list of the legislation that Labour administers.) As a direct result of this mandate, Labour's programs and services have a direct impact on all British Columbians and their employers, as well as on other stakeholders, groups and representatives such as trade unions, employers' associations, worker and employer representatives and advocates, and schools and post-secondary institutions.

Labour's programs and services are delivered by public servants who are employees of the Ministry of Labour and Citizens' Services. In addition, the members and employees of three administrative tribunals provide independent oversight of decisions and issues arising from the legislation that the ministry administers.

Services are provided by three business organizations and three administrative tribunals:

Employment Standards Branch

The Employment Standards Branch is responsible for the administration and enforcement of the *Employment Standards Act*. This includes investigation and resolution of complaints, compliance audits, and educational activities focused on raising awareness of rights and obligations and promoting voluntary compliance.

Workers' Advisers Office

The Workers' Advisers Office provides information and advice primarily to injured workers who are clients of WorkSafeBC. It represents injured workers on claims adjudication matters at various stages of the WorkSafeBC and Workers' Compensation Appeal Tribunal review processes. It also provides education and undertakes other awareness initiatives for injured workers and the worker community, including occupational health and safety, and participation in WorkSafeBC policy forums.

Employers' Advisers Office

The Employers' Advisers Office provides services that are of interest primarily to employers and that relate to employer rights and obligations under the *Workers Compensation Act*. This includes: providing information and advice to employers on the claims management

process and occupational health and safety; representing employer interests and concerns on matters before WorkSafeBC, including acting as the employer on behalf of defunct or bankrupt employers; and education and awareness for the employer community.

The three administrative tribunals that are within Labour's responsibility are:

- The Labour Relations Board;
- The Employment Standards Tribunal; and
- The Workers' Compensation Appeal Tribunal.

Strategic Context

This section of the Annual Report provides an overview of the context within which Labour operates and highlights activities undertaken and advancements made to manage opportunities and to mitigate risks.

Labour's programs touch all working people in British Columbia, and they operate in a context where:

- Continuing efforts to enhance British Columbia's labour relations environment will support government's goal to create more jobs per capita than anywhere else in Canada;
- The *Workers Compensation Act*, the *Employment Standards Act*, and the *Labour Relations Code* recognize one size does not fit all in a modern and changing work environment and provide the foundation for an expanded economy and diversification;
- Enhancing compliance with employment standards legislation means increasing public education and awareness and focusing enforcement efforts on our most vulnerable workers to provide protection to those who need it most;
- Continuing strong employment growth puts pressure on the labour market and workplaces, which can lead to the potential for less stable labour relations; and
- Continuing strong employment growth within the construction industry and within high-hazard sectors like mining and forestry and among less experienced workers who are at greater risk of work-place injury has also necessitated a greater emphasis on injury prevention and occupational health and safety initiatives, which is reflected by WorkSafeBC — the new name of the Workers' Compensation Board.

To capitalize on opportunities and mitigate risks, strategies which defined deliverables were identified in the 2005/06–2007/08 Service Plan Update and were implemented over this past year. Results are described more completely in the Performance Report section.

Key advances include the following specific initiatives.

In April 2005, government announced its intent to have WorkSafeBC (formerly the Workers' Compensation Board) recognize certain cancers can arise where a worker is employed full-time as a firefighter, and has been regularly exposed to the hazards of a fire scene, other than a forest fire scene, over certain periods of time. Legislative changes to the *Workers Compensation Act* were introduced in October 2005 to give effect to this commitment.

In November 2005, this commitment was extended to British Columbia's volunteer, part-time and paid on-call firefighters.

In August 2005, the Province participated in negotiations to appoint a task force to examine industrial relations and transportation issues affecting B.C. ports, and devise a long-term strategy to resolve outstanding issues. Activities in the Port of Vancouver returned to normal after a Ministry-appointed facilitator led talks to resolve the dispute involving the container truck drivers that began June 16, 2005.

In September 2005, a new truck safety program was launched to identify strategies that improve safety for truckers. The program is looking for ways to equip, educate, and empower drivers to meet their own safety needs, and contribute to the safety of other drivers on B.C. roads.

In October 2005, the Province introduced legislation to extend the collective agreement between the British Columbia Teachers' Federation and the British Columbia Public School Employers' Association until June 30, 2006. Also in October, the provincial government appointed a one-person Industrial Inquiry Commission to recommend a new collective bargaining structure for teachers and school employers. An interim Industrial Inquiry Commission Report was released January 2006 and further options on the teachers' collective bargaining system were presented to government on April 2, 2006.

In January 2006, the Honourable Michael de Jong and the Honourable Rich Coleman participated in the B.C. Forest Fatality Summit, resulting in the appointment of a forest coroner among other initiatives.

In February 2006, the Workers' Compensation Appeal Tribunal succeeded in virtually eliminating the bulk of the appeal backlog it had inherited, from 22,446 to 203 outstanding appeals.

In March 2006, the *Employment Standards Act* was amended to provide compassionate care leave. This gives an employee who requests time away from his or her job up to eight weeks of unpaid leave to provide care or support to an immediate family member who is terminally ill.

Also in March 2006, 55 public sector collective agreements covering more than 187,000 employees were successfully negotiated prior to the expiry of their previous agreements, and without any strikes or lockouts.

Linkage to the Five Great Goals

Labour aligns to all of the Five Great Goals because its policies and services affect every citizen and worker in the province, whether unionized or non-unionized. Of key relevance to Labour's mission is the government goal to create more jobs per capita than anywhere else in Canada.

Report on Performance

Introduction

This section describes the progress made by Labour over 2005/06 towards achieving the three goals outlined in the 2005/06–2007/08 Service Plan Update published in September 2005.

Goal 1: Fair and balanced employment standards that promote mutually beneficial relationships between employees and employers.

Goal 2: Promote good relationships in the labour relations community from which productive and competitive workplaces can be developed.

Goal 3: Safe and healthy workplaces and a workers' compensation system that is responsive to the needs of employees and employers alike.

Since the publication of the Service Plan Update in September 2005, the 2006/07–2008/09 Service Plan was developed. The 2006/07–2008/09 Service Plan represents a substantial departure from the 2005/06–2007/08 Service Plan Update in that Labour adopted a “Balanced Scorecard” approach to ensure that its goals and objectives represented a balance of several different perspectives (stakeholders, effectiveness and innovation). In addition, the number of performance measures was substantially reduced from 30 to eight.

It is the intent in this 2005/06 Annual Service Plan Report to indicate the ministry's future direction as set out in the 2006/07–2008/09 Service Plan. Labour requires all program areas to maintain detailed data collection mechanisms to ensure reporting is credible, reliable and relevant. Many of the measures contained in this Annual Service Plan Report that were discontinued in the 2006/07–2008/09 Service Plan will continue to be tracked and reported at the branch/program area level. See Appendix 1 for a complete listing of the measures contained in the 2005/06–2007/08 Service Plan Update that were discontinued in the 2006/07–2008/09 Service Plan.

Note: The Methodology Report (available at: http://www.labour.gov.bc.ca/pubs/related/pmr-ar_labour.pdf) provides an overview of Labour's performance management system and additional details for each measure.

Overview

The 2005/06–2007/08 Service Plan Update set out three goals for Labour. Eighteen strategies were listed in the plan, and a total of 30 performance measures were identified to measure progress on these strategies.

For the 30 measures in the plan:

- 10 targets were exceeded;
- 11 targets were met or substantially met;
- three targets were not met; and
- the remaining six were new measures where baselines were established in 2005/06 against which targets were to be established in future years.

The following tabular summary displays the goals, objectives, strategies and corresponding measures, as well as a clear indication as to whether these measures have been met.

Goals, Objectives and Measures	Strategies		
Goal 1: Fair and balanced employment standards that promote mutually beneficial relationships between employees and employers			
Objective 1: Enhanced prevention and early intervention functions of the Employment Standards Branch (ESB)		• Provide advice and support services for employers and employees by improving availability of employment standards and dispute resolution information	✓
Measures: • Number of complaints received by ESB • Number of speaking engagements, training sessions and seminars • Average monthly ESB website hits • Percentage of workforce working in industries covered by sector specific initiatives • Number of contraventions within industries covered by sector specific initiatives	- x ✓✓ △ ✓ ✓	• Increase employers' and employees' awareness, knowledge and understanding of the Employment Standards Act by working together with industry and the labour community on education and awareness initiatives • Through the use of sector specific initiatives, foster mutual co-operation between government, industry and employees and ensure contraventions of the Employment Standards Act are identified and enforced	✓ ✓
Objective 2: Employment standards disputes resolved prior to adjudication		• Support early intervention and alternative dispute resolution in employment standards disputes by supporting the new complaint resolution model, which mandates the use of self-help materials and mediation prior to adjudication	✓
Measures: • Number of Self-Help Kit downloads • Proportion of cases closed prior to adjudication • Timeliness of cases addressed prior to adjudication	✓✓ ✓ 0		
Objective 3: Ensure the quality and consistency of determinations issued by the Employment Standards Branch, thereby reducing the number of decisions overturned by the Employment Standards Tribunal (EST)		• Improve the efficiency and effectiveness of Employment Standards Branch decision-making through advanced training for officers, clear policy direction and the sharing of best practices	✓
Measures: • Timeliness of cases addressed at the adjudication stage or later • Percentage of determinations upheld by the EST	0 ✓✓		
Objective 4: The Employment Standards Tribunal continues to provide timely, consistent and quality decisions		• Ensure systems are in place to track productivity	✓
Measures: • Days lapsed from appeal or reconsideration to disposition (average) • Per cent of cases decided within 90 days of date of appeal • Per cent of decisions received within 20 days of assignment to a Member of the Tribunal • Per cent of reconsideration request decisions that confirm the original appeal decision	✓✓ ✓✓ ✓ ✓		

✓✓ Exceeded ✓ Achieved △ Substantially achieved x Not met ii Delayed 0 No Report against target

Goals, Objectives and Measures		Strategies	
Goal 2: Promote good relationships in the labour relations community from which productive and competitive workplaces can be developed			
Objective 1: Encourage confidence in the Labour Relations Board (LRB)		• Provide information to Labour Relations Board clients about the Labour Relations Code and industrial relations practices	✓
Measures: • Number of LRB website hits • Number of issue brought to the attention of the LRB that are addressed before becoming formal applications	x 0	• Create an industrial relations environment that is responsive to the needs of employees, unions and employers by maintaining the accessibility of Labour Relations Board services to all parties and streamlining their administrative requirements	✓
Objective 2: Increase the number of Labour Relations Code applications that are resolved prior to adjudication		• Provide information to Labour Relations Board clients about the Labour Relations Code and industrial relations practices • Ensure Labour Relations Board operations are suited to today's work environment by continuing to apply the duties enshrined in the Labour Relations Code, such as encouraging co-operation between employers and trade unions in resolving workplace issues, adapting to changes in the economy, and developing a workforce and a workplace that promotes productivity • Encourage alternative dispute resolution processes	✓ ✓ ✓
Measures: • Number of applications and complaints disposed of • Percentage of disputes settled without formal decision, order or declaration	△ ✓✓		
Objective 3: Increase collective bargaining mediation success rates		• Encourage the use of collective bargaining mediation	✓
Measures: • Percentage of mediation applications settled (ss. 55 and 74) • Number of mediator appointments	✓✓ ✓		
Objective 4: Issue decisions in a timely manner		• Have systems in place to ensure resolution within appropriate timelines	✓
Measures: • Average number of backlog cases • Average number of days from receipt of application to decision	✓✓ 0		

✓✓ Exceeded ✓ Achieved △ Substantially achieved ✕ Not met || Delayed 0 No Report against target

Goals, Objectives and Measures		Strategies	
Goal 3: Safe and healthy workplaces and a workers' compensation system that is responsive to the needs of employees and employers alike			
Objective 1: Better compliance with the <i>Workers Compensation Act</i> and the <i>Occupational Health and Safety Regulation</i> by providing responsive, independent and expert advice, assistance and representation to workers and employers Measures: • <i>Inquiries responded to by Workers' Advisers Office</i> • <i>Number of Workers' Advisers Office Self-Help Kits distributed</i> • <i>Workers' Advisers Office public education seminar participation</i> • <i>Employers' Advisers Office information and skills development seminar participation</i>	✓✓ △ ✓ ✓✓	• <i>Facilitate workers' and employers' understanding of the workers' compensation system by providing information and assistance to workers and employers</i>	✓
Objective 2: Increase efficiency of appeal system Measures: • <i>Number of workers' appeals impacted by the Workers' Advisers Office as a proportion of all appeals in the system</i> • <i>Number of appeals impacted by the Employers' Advisers Office (EAO) as a proportion of all appeals in the system</i> • <i>Employers' Advisers Appeal Intervention closures</i> • <i>Backlog of appeals acquired from old system at implementation of WCAT</i>	∅ ∅ × △	• <i>Eliminate appeal backlog</i> • <i>Maintain tribunal practices and procedures that permit Workers' Compensation Appeal Tribunal (WCAT) to meet statutory timeframes for deciding appeals</i> • <i>Improve the efficiency and responsiveness of the appeal system through providing direct assistance, guidance and service to workers and employers</i>	✓ ✓ ✓

✓✓ Exceeded ✓ Achieved △ Substantially achieved × Not met II Delayed ∅ No Report against target

Goals, Objectives, Strategies and Performance Measures

Goal 1: Fair and balanced employment standards that promote mutually beneficial relationships between employees and employers.

Ensuring British Columbia has fair and balanced employment standards that promote mutually beneficial relationships between employees and employers is integral to government's goal of promoting a strong and vibrant provincial economy. Four objectives were developed to meet this goal.

Objective 1: Enhanced prevention and early intervention functions of the Employment Standards Branch.

To meet the objective, three strategies were implemented, and the following achievements were attained.

- Improved availability of employment standards and dispute resolution information through continued development of fact sheets for the public. Industry and sector specific informational material have also been developed and the Employment Standards Branch is working in collaboration with relevant associations to promote distribution of the material.
- Significantly greater emphasis on education and awareness initiatives by working together with industry and the labour community. These initiatives are aimed at increasing employers' and employees' awareness, knowledge and understanding of the *Employment Standards Act*, and include providing information sessions at conferences and delivering almost three times the number of education sessions province-wide in the current year as has occurred in preceding years.
- Continuing with sector specific initiatives such as the memoranda of understanding covering workers and employers in the restaurant, film, agriculture and garment industries. The branch has also been working in co-operation with the employers' association and stakeholders in the silviculture sector to increase compliance.

Performance Measure	2004/05 Benchmark	2005/06 Target	2005/06 Actual	Target Met?
Number of complaints received by ESB	5,015	<5,015	5,384	✗
Number of speaking engagements, training sessions and seminars	77	>77	223	✓✓
Average monthly ESB website hits	353,999	Constant or increased hits	350,043	△
Percentage of workforce working in industries covered by sector specific initiatives	10.4%	>10.4%	11.0%	✓
Number of contraventions within industries covered by sector specific initiatives	293	>293	302	✓

✓✓ Exceeded ✓ Achieved △ Substantially achieved ✗ Not met || Delayed ∅ No Report against target

The performance measures were selected as indicators of the impact of effective and enhanced prevention and early intervention activity, as follows.

- The number of complaints received by the Employment Standards Branch is a long-term indicator of the extent to which employer practices attract complaints. The goal was that prevention and early intervention initiatives would reduce the number of complaints as awareness of employee and employer rights and obligations increases, and as they learn to resolve issues before formal complaints become necessary. However, there was a slight increase in the number of complaints in 2005/06. The factors that may account for the increase include a change in Employment Standards Branch requirements that exempted additional vulnerable workers from the requirement to utilize the self-help process, the possibility that increased awareness through the branch's education activities has led to an initial increase in complaints, and the impact of higher overall employment levels.
- The number of speaking engagements, training sessions and seminars is a measure of the Employment Standards Branch's education efforts in promoting knowledge and awareness in the employer and employee communities. The Employment Standards Branch expected to increase its education activities, particularly among young people and new workers and among the workforce impacted by sector specific initiatives, and it exceeded those expectations.
- The average monthly Employment Standards Branch website hits is an indicator of public knowledge and awareness of Employment Standards Branch services. The expectation was that average monthly website hits would remain constant or increase slightly. This target was considered to have been substantially achieved because the 2005/06 actuals were at 99 per cent of target.
- The percentage of the British Columbia workforce working in industries covered by sector specific initiatives is a measure of the Employment Standards Branch's efforts to foster mutual co-operation and communication between government, industry and employees in sectors where vulnerable workers are concentrated. The goal of these sector specific initiatives, which may include partnership agreements, such as Memoranda of Understanding, or targeted enforcement operations is to protect vulnerable workers while increasing prosperity in the workplace. For 2005/06, the measure was calculated by dividing the number of persons working in the restaurant and food services industry, the primary agricultural production sector, the film industry and garment workers by the total number of paid employees working in British Columbia.
- Contraventions within industries covered by sector specific initiatives may be considered an indicator of the impact of these initiatives. It was anticipated that the number of contraventions within industries covered by sector specific initiatives would increase over the short to medium term as knowledge and awareness of employment standards increases. Over the longer term, however, it is anticipated that the number of contraventions will decrease as employers and employees mutually develop a better understanding of employment standards. In 2005/06, the number of contraventions within these industries increased slightly.

Objective 2: Employment standards disputes resolved prior to adjudication.

Achievements relative to this objective include:

- Continuing with early intervention and alternative dispute resolution efforts and mediation; and
- The Self-Help Kit was reviewed and revised, which resulted in a substantial reduction in its size and complexity.

Performance Measure	2004/05 Benchmark	2005/06 Target	2005/06 Actual	Target Met?
Self-Help Kit downloads	35,542	35,542	51,496	✓✓
Proportion of cases closed prior to adjudication	78%	>78%	79.2%	✓
Timeliness of cases addressed prior to adjudication	New measure	Develop baseline	Within 180 days	Ø

✓✓ Exceeded ✓ Achieved △ Substantially achieved ✕ Not met II Delayed Ø No Report against target

The performance measures were selected as indicators of the Employment Standards Branch's success in facilitating the resolution of disputes prior to adjudication. Specifically:

- The number of Self-Help Kit downloads in 2005/06 is an indicator of the extent to which the public is accessing the branch's dispute resolution tool-kit. The Self-Help Kit was a new concept developed and produced during 2003/04. The expectation was that utilization of the Self-Help Kit would increase over the short to medium term as the public familiarizes itself with the kit, and that usage would stabilize over the longer-term;
- The proportion of cases closed prior to adjudication is a direct measure of the Employment Standards Branch's success in employing early intervention and alternative dispute resolution methods. The expectation was that the proportion of cases closed prior to adjudication would increase in 2005/06; and
- Timeliness of cases addressed prior to adjudication is a new measure that tracks the amount of time cases can be in the system before a decision must be rendered by way of formal adjudication. In 2005/06, a new information system was implemented that has provided the Employment Standards Branch with detailed timeliness data. In future years, the expectation is that in excess of 82 per cent of all cases will have been resolved or otherwise have a decision rendered within 180 days.

Objective 3: Ensure the quality and consistency of determinations issued by the Employment Standards Branch, thereby reducing the number of decisions overturned by the Employment Standards Tribunal.

To meet this objective, one strategy was implemented. Achievements include:

- Advanced training for staff on administrative fairness, decision writing and a review and revision of interpretation materials upon which staff rely; and

- Enhancements to internal review and quality control processes through the establishment of "lead hand" roles and a process to assist with internal review of decisions.

Performance Measure	2004/05 Benchmark	2005/06 Target	2005/06 Actual	Target Met?
Timeliness of cases at the adjudication state or later	New measure	Develop baseline	6 weeks from hearing to decision	Ø
Determinations upheld by the EST	70%	>70%	78%	✓✓

✓✓ Exceeded ✓ Achieved △ Substantially achieved ✕ Not met || Delayed Ø No Report against target

The performance measures were selected as indicators of the timeliness and quality of the Employment Standards Branch's decision-making. Specifically:

- Timeliness of cases addressed at the adjudication stage or later is a new measure that tracks the amount of time required for adjudicating cases that cannot be resolved by early intervention and alternative dispute resolution. In future years, the expectation is that decisions resulting from an adjudication hearing will be issued to the parties within 45 days of the conclusion of the adjudication process in 90 per cent of cases; and
- Determinations upheld by the Employment Standards Tribunal (EST) may be considered an indicator of the quality and consistency of Employment Standards Branch adjudication decisions. The Tribunal may choose not to uphold Employment Standards Branch decisions for a number of reasons including new evidence being accepted during the appeal process that was not available to the branch at the time of the original decision. However, in 2005/06, the expectation was that the proportion of determinations upheld by the Tribunal would increase.

Objective 4: The Employment Standards Tribunal continues to provide timely, consistent and quality decisions.

To meet this objective, the Employment Standards Tribunal strengthened its systems, practices and procedures to meet quality and timeliness targets.

Performance Measure	2004/05 Benchmark	2005/06 Target	2005/06 Actual	Target Met?
Days lapsed from appeal or reconsideration to disposition (average)	90	90	75	✓✓
Per cent of cases decided within 90 days of date of appeal	73%	73%	84%	✓✓
Per cent of decisions received within 20 days of assignment to a Member of the Tribunal	90%	90%	92%	✓
Per cent of reconsideration request decisions that confirm the original appeal decision	85%	85%	85%	✓

✓✓ Exceeded ✓ Achieved △ Substantially achieved ✕ Not met || Delayed Ø No Report against target

The performance measures were selected to provide different insights into the timeliness and quality of Employment Standards Tribunal decisions. Specifically:

- Average number of days lapsed from when a matter is appealed to the Tribunal to its disposition is a timeliness measure that shows how long matters can be before the Tribunal. The expectation was that there would be a reduction in average days lapsed in 2005/06;
- Per cent of cases decided within 90 days of date of appeal is also a timeliness measure that shows how many less complex cases are disposed of within the 90 day standard. The expectation was that this proportion would increase in 2005/06;
- Per cent of decisions received within 20 days of assignment to a member of the Tribunal is a timeliness measure. The expectation was that this proportion would increase in 2005/06; and
- Per cent of reconsideration request decisions that confirm the original appeal decision may be considered an indicator of the quality and consistency of Employment Standards Tribunal decisions. The expectation was that this proportion would increase in 2005/06.

Goal 2: Promote good relationships in the labour relations community from which productive and competitive workplaces can be developed.

This goal is based on the premise that ensuring labour stability in the province is key to providing the foundation for strong and vibrant provincial economic development and employment growth. Four objectives were developed to meet this goal.

Objective 1: Encourage confidence in the Labour Relations Board.

To meet this objective, two strategies were implemented that were focused on providing information to Labour Relations Board (LRB) clients about the *Labour Relations Code* and industrial relations practices, and to improve the responsiveness of the Labour Relations Board to the needs of employees, unions and employers. Achievements include:

- Posting "Innovation and Success Stories" case studies on the Board's website. These are concrete examples of the new framework for labour relations that was established in the 2002 amendments to the *Labour Relations Code*, and they show how parties have successfully focused on innovative problem solving; and
- In a number of cases before the Board in 2005, urging the parties to use the problem solving approach set out in section 53 of the *Labour Relations Code*.

Performance Measure	2004/05 Benchmark	2005/06 Target	2005/06 Actual	Target Met?
Number of LRB website hits	241,000	>241,000	175,368	x
Number of issues brought to the attention of the LRB that are addressed before becoming formal applications	New measure introduced in 2005/06 Service Plan Update	Acquire baseline data	124	Ø

✓✓ Exceeded ✓ Achieved △ Substantially achieved x Not met II Delayed Ø No Report against target

The performance measures were selected to provide insights into the Board's efforts in improving access and responsiveness and in better meeting the needs of employees, unions and employers. Specifically:

- Number of Labour Relations Board website hits is an indicator of public knowledge and awareness of Labour Relations Board information and services. The expectation was that an increase would be observed in 2005/06. However, the number of website hits was down in 2005/06 from about 241,000 to 175,368; and
- Number of issues brought to the attention of the Labour Relations Board that are addressed before becoming formal applications is an indicator of the extent to which the Board is able to simplify its intake procedures by resolving issues before they formally enter the system. This was a new measure in 2005/06. The expectation is that the number of issues resolved in this way will increase over the 2005/06 actuals in future years.

Objective 2: Increase number of *Labour Relations Code* applications that are resolved prior to adjudication.

Three strategies were implemented to meet this objective, which were all focused on continuing to promote the new framework for labour relations established by the 2002 amendments to the *Labour Relations Code*. Initiatives included:

- Encouraging and promoting co-operation between employers and trade unions in resolving workplace issues, adapting to changes in the economy, and developing a workforce and a workplace that promotes productivity. This was accomplished both through Board decisions that analyzed and addressed issues according to these principles, and by assisting the parties to resolve disputes before they must be formally adjudicated; and
- Encouraging alternative dispute resolution processes.

Performance Measure	2004/05 Benchmark	2005/06 Target	2005/06 Actual	Target Met?
Number of applications and complaints disposed of	2,259	2,259	2,166	△
Percentage of disputes settled without formal decisions, order or declaration	66%	>66%	70%	✓✓

✓✓ Exceeded ✓ Achieved △ Substantially achieved ✕ Not met || Delayed ∅ No Report against target

The performance measures were selected as indicators of the Board's ability to resolve disputes prior to adjudication. Specifically:

- Number of applications and complaints disposed of is an indicator of the overall volume of activity at the Labour Relations Board. The expectation was that this number would remain constant. On one hand, it was anticipated that there may be a reduction in the number of applications and complaints as the number of disputes that are settled without a formal decision increase. However, it was also expected that other social and economic factors external to the Labour Relations Board, including improving economic conditions, would also have an impact on the number of applications coming before the Board. This measure is considered to have been substantially met because the expected

increase arising from factors external to the Board appear to have been more than offset by the reduction that can be attributed to the number of disputes settled without a formal decision; and

- Percentage of disputes settled without formal decision, order or declaration is an indicator of the Board's success in using alternative dispute resolution for settling disputes. Disputes that come to the Labour Relations Board include: unfair labour practice complaints (ss. 5–12); and applications under sections 32 and 45 and Part 5 applications (ss. 57–70). Applications under sections 55 and 74 of the *Labour Relations Code* are excluded from this calculation and are instead listed separately under Objective 3. The expectation was that the percentage of disputes settled in this way would increase, indicating the Board's success in using and promoting alternative dispute resolution.

Objective 3: Increase collective bargaining mediation success rate.

The one strategy that was implemented to support this objective was focused on encouraging the use of collective bargaining mediation. Achievements include:

- Increasing the percentage of collective bargaining mediation files settled by mediation; and
- Increasing the number of mediator appointments.

Performance Measure	2004/05 Benchmark	2005/06 Target	2005/06 Actual	Target Met?
Percentage of mediation applications settled (ss. 55 and 74)	74%	>74%	84%	✓✓
Number of mediator appointments	128	>128	129	✓

✓✓ Exceeded ✓ Achieved △ Substantially achieved ✕ Not met II Delayed Ø No Report against target

The performance measures that were selected are direct measures of these achievements. Specifically:

- The percentage of mediation applications settled under sections 55 and 74 of the *Labour Relations Code* measures the percentage of collective bargaining disputes that were settled with the assistance of a mediator that could otherwise have resulted in strikes or lockouts. The expectation for 2005/06 was that a greater proportion of collective bargaining disputes would be settled by mediation; and
- The number of mediators appointed in 2005/06 is a measure of the Board's overall involvement in collective bargaining mediation. The expectation for 2005/06 was that the number of mediators appointed would increase.

Objective 4: Issue decisions in a timely manner.

To meet this objective, the Labour Relations Board strengthened its systems, practices and procedures to meet timeliness targets.

Performance Measure	2004/05 Benchmark	2005/06 Target	2005/06 Actual	Target Met?
Average number of backlog cases	37	<37	25	✓✓
Average number of days from receipt of application to decision — calculated by case	New measure introduced in 2005/06 Service Plan Update	Acquire baseline data	126	Ø

✓✓ Exceeded ✓ Achieved △ Substantially achieved x Not met II Delayed Ø No Report against target

The performance measures were selected to provide insights into various facets of Labour Relations Board timeliness. Specifically:

- Average number of backlog cases is an indicator of the Board's ability to consider and to bring cases to resolution in a timely manner. In general, a case is seen as part of the backlog if it has been assigned for more than 90 days and no hearing will be held, or where a hearing has been completed and more than 45 days have passed. The expectation was that the backlog would be reduced in 2005/06; and
- Average number of days from receipt of application to decision is a new measure that tracks the average amount of time (in days) from when an application has been filed to the issuance of a decision. The expectation is that reductions in future years will be observed from the baseline that has been established in 2005/06.

Goal 3: Safe and healthy workplaces and a workers' compensation system that is responsive to the needs of employees and employers alike.

This goal is key to supporting government's goals of promoting healthy communities and a strong and vibrant provincial economy. Two objectives were developed to meet this goal.

Objective 1: Better compliance with the *Workers Compensation Act* and the *Occupational Health and Safety Regulation* by providing responsive, independent and expert advice, assistance and representation to workers and employers.

The Ministry has a direct accountability for the provision of responsive, independent and expert advice and assistance to workers and employers through the Workers' Advisers Office and the Employers' Advisers Office. Achievements include:

- The 5,313 participants attending Employers' Advisers Office seminars is the highest number to participate in any year that the office has not also delivered a specific one-time educational initiative. This illustrates the significant interest for educational services in the employer community and serves to reinforce the Employers' Advisers Office's commitment to provide educational services to employers;
- The Workers' Advisers Office collaborated with the Employers' Advisers Office and the Employment Standards Branch to develop and deliver training programs to mutual stakeholder groups; and

- The Workers' Advisers Office website is recognized as having met North American standards for web content accessibility for disabled users.

Performance Measure	2004/05 Benchmark	2005/06 Target	2005/06 Actual	Target Met?
Inquiries responded to by Workers' Advisers Office	110,885	110,885	117,079	✓✓
Number of Workers' Advisers Office Self-Help Kits distributed	5,062	>5,062	4,901	△
Workers' Advisers Office public education seminar participation	848	>848	876	✓
Employers' Advisers Office Information and Skills Development seminar participation	6,333	>4,300 base	5,513	✓✓

✓✓ Exceeded ✓ Achieved △ Substantially achieved ✕ Not met || Delayed ∅ No Report against target

The performance measures were selected to highlight the scope and extent of each office's activities in the worker and employer communities. Specifically:

- The number of inquiries responded to by the Workers' Advisers Office is a workload measure that may also be considered as an indicator of its "reach" into the worker community. The expectation was that the number of inquiries responded to would stabilize in 2005/06 at approximately the same levels that were observed in 2004/05. The measure refers to documented brief service advice. It does not include general inquiries;
- Number of Workers' Advisers Office Self-Help Kits distributed is an indicator of the extent to which the public is accessing the office's dispute resolution toolkit. The expectation was that utilization of the dispute resolution toolkit would remain stable or increase slightly over time as the worker community familiarizes itself with the toolkit. This target is considered to have been substantially achieved, with 2005/06 actuals coming in at 97 per cent of target;
- Workers' Advisers Office public education seminar participation is a measure of the office's education activities. These activities are focused primarily on individuals who themselves provide assistance to injured workers, and includes injured workers, worker representatives, constituency assistants and other public groups. The expectation was that a modest increase would be observed in 2005/06 due to anticipated growth in employment rates, particularly in the construction industries; and
- Employers' Advisers Office Information and Skills Development seminar participation is a measure of the office's education activities. This measure tracks individual participants, including employers, workers, safety committee members and professionals who attend Employers' Advisers Office seminars on various components of workers' compensation legislation. The 2005/06 target was to meet or exceed a base of 4,300 after taking out extraordinary fluctuations. The number of participants was greater in 2004/05 given a one-time initiative dealing with the new performance-based First Aid regulation.

Objective 2: Increase efficiency of appeal system.

To meet this objective, strategies were developed that were aimed at eliminating the appeal backlog at the Workers' Compensation Appeal Tribunal (WCAT), and aligning the contributions of the Workers' and Employers' Advisers Offices to an efficient and responsive appeal system through the assistance, guidance and service they provide. Specific accomplishments include the following:

- Employers' Advisers Office participation in all Workers' Compensation Appeal Tribunal Precedent and Lawfulness Review Decisions, as well as participation in over 250 deregistered appeal proceedings, assisted with the creation of an efficient, responsive compensation appeal system. By participating, the Employers' Advisers Office makes certain that issues are canvassed thoroughly and efficiently, minimizing delays and ensuring effective use of panel time;
- The Workers' Advisers Office collaborated with WCAT on a backlog appeals inventory strategy by providing branch commitments to participate in oral hearings and provide written submissions in a timely manner; and
- The Workers' Advisers Office introduced a practice of communicating quickly by letter to injured workers who do not have a reasonable opportunity of success through review/appeal.

Performance Measure	2004/05 Benchmark	2005/06 Target	2005/06 Actual	Target Met?
Number of workers' appeals impacted by the Workers' Advisers Office as a proportion of all appeals in the system	New measure introduced in 2005/06 Service Plan	Acquire Baseline Data	not available ¹	Ø
Number of appeals impacted by the Employers' Advisers Office as a proportion of all appeals in the system	New measure introduced in 2005/06 Service Plan	Acquire Baseline Data	8.5%	Ø
Employers' Advisers Appeals Intervention closures	256	475	284	x
Backlog of appeals acquired from old system at implementation of WCAT	4,478	0	203	△
¹ A total of 4,632 appeals was impacted by the Workers' Advisers Office. The total number of appeals in the system for this period was not available as of the date of publication.				

✓✓ Exceeded ✓ Achieved △ Substantially achieved x Not met || Delayed Ø No Report against target

The performance measures were selected with a view to directly measuring the Workers' Compensation Appeal Tribunal's success in eliminating the appeal backlog, and attempting to shed light onto the contributions of the Workers' and Employers' Advisers Offices to the efficiency and responsiveness of the appeal system. Specifically:

- The number of workers' appeals impacted by the Workers' Advisers Office as a proportion of all appeals in the system was intended as a measure of the extent to which the

office's advisory and representation activities contributes to an effective and responsive appeals system. This was a new measure that is reported for the first time in the 2005/06 – 2007/08 Service Plan Update;

- The number of appeals impacted by the Employers' Advisers Office as a proportion of all appeals in the system is a measure of the extent to which the office's advisory and representation activities contributes to an effective and responsive appeals system. This measure is reported for the first time in 2005/06;
- Employers' Advisers appeals intervention closures measures the number of appeals that were closed as a result of advice provided by the Employers' Advisers Office. This measure reflects the constructive role that the office can play in encouraging employers to withdraw appeals that have no chance of success. The expectation was that there would be a substantial increase in appeal intervention closures in 2005/06 based upon a strong upward trend that had started the previous year. However, the 2005/06 target overestimated the potential opportunities for early intervention closures. Although there was an increase in 2005/06 over the 2004/05 benchmark, the total number fell short of the target; and
- Backlog of appeals acquired from the old system at implementation of the Workers' Compensation Appeals Tribunal is a direct measure of the backlog that the Tribunal had inherited from the review bodies that preceded the Tribunal. The expectation was that the backlog would be eliminated in 2005/06. This target was achieved. A total of 203 appeals remain in this system out of the 22,446 appeals that the Tribunal acquired from the old system on March 31, 2003. These remaining appeals are those in which parties have requested a delay or further information is required.

Deregulation

Labour and WorkSafeBC have met their deregulation commitments since fiscal 2002/03 and developed legislation, regulation and policy using the regulatory reform policy. Labour and WorkSafeBC also continue to support government's regulatory reform initiative and review regulatory requirements to identify opportunities for further reduction. The ministry continues to implement the government's smart regulation policy by simplifying and reducing unnecessary regimes and by ensuring that any new regulations are necessary.

Citizens' Services

Service Delivery

This section provides an overview of the services provided by Citizens' Services, the people it serves and its relationship with its business partners.

Citizens' Services is mandated to lead the transformation of service delivery to British Columbians. Service transformation means making public services more accessible, easier to deal with and more responsive to those who need them. Citizens' Services plays a leading role in co-ordinating work across ministries and agencies to improve the way government services and information are delivered. Success is achieved through effective partnering with ministry colleagues. A complete listing of the ministry's legislation can be found in Appendix 3.

Shared services are provided primarily to the ministries but some are also provided to the broader public sector. Many of the services provided are delivered through contracts with private sector suppliers and consultants. Sound business principles and practices are followed in soliciting, negotiating and documenting all contractual agreements. A number of the key services that Citizens' Services provides are delivered using new business model partnerships that are based on long-term relationships with the private sector (e.g., TELUS Sourcing Solutions provides Human Resources Management System (HRMS)/Payroll Services and IBM Canada provides Workstation Support Services). The objective of these innovative relationships is to deliver efficient and effective services that meet or exceed the standards of quality expected by customers and clients. The contracts are structured to state clearly and completely the performance obligations of the parties to the agreement and management of these long-term relationships is based on joint governance structures that reflect best practices.

Services are provided by four business organizations:

Service BC

Service BC is the government's chief provider of front-line services to citizens, businesses and visitors. Service BC provides information and services on behalf of programs offered by ministries and agencies, by using one, or a combination of, Service BC service channels: in person by contacting Service BC – Government Agents; by phone using Service BC – Enquiry BC; or on-line through web services provided by BC OnLine and the government enterprise portal. Programs and services focus on facilitating and leading a co-ordinated approach to service transformation across government. The services of Service BC are provided by the following five areas of business:

- **Service Delivery Operations** is responsible for regional points of service including: Service BC – Government Agents Offices (59 Service Centres); Community Access

Terminals; and Service BC – Enquiry BC Contact Centre. The program also supports and implements over-the-counter and telephone requirements for new services;

- **Online Channel Office** manages the Enterprise Portal, Employee Portal and BC OnLine. BC OnLine provides on-line access to e-government services for legal, business, government and professionals;
- **BC STATS** provides statistical information and analysis services for government departments, as well as information on economic, social, and demographic conditions of the province and its people. BC STATS supports Service BC's information requirements for service delivery performance measurement and service improvement;
- **The Service Delivery Initiative Office** works across ministries and other levels of government to ensure government services are designed and delivered according to the needs of citizens and businesses. This area is also responsible for the Service BC Knowledge Centre (formerly Corporate IT and Management Library) which provides cross-government information and research services; and
- **The Service Delivery Planning and Business Development Branch** manages and implements new initiatives resulting from emerging business requirements.

Shared Services BC

Shared Services BC is the primary provider of internal services to government. This division is responsible for providing the basic services needed by government to function (technology, finance and administration, payroll and procurement support). The shared services model allows ministries to focus on non-administrative activities, and Shared Services BC to focus on gaining efficiencies and improving the delivery of these services. Shared Services BC is governed by a Shared Services Board of Directors made up of Deputy Ministers. The service divisions of Shared Services BC include: Common IT and Payroll Services; Common Business Services; and, as of April 1, 2006, Accommodation and Real Estate Services (formerly BC Buildings Corporation).

- **Common Information Technology (CITS) and Payroll Services**
 - **CITS** is the steward of all information and technology assets across B.C. for core government. The technology services provided by CITS include: (i) Workplace/employee productivity services (such as email and workstations); (ii) Business application enabling services (such as Windows and UNIX server platforms and the data centre); (iii) Location connection services (such as SPAN/BC); and, (iv) Business and integrated solutions (such as common cross-government applications).
 - **Provincial Human Resource Management System (HRMS/Payroll Services)** manages the delivery of payroll services and application management for the government human resources payroll system. These services are provided through TELUS Sourcing Solutions Inc.
- **Common Business Services, which includes three business areas:**
 - **Corporate Accounting Services (CAS)** manages the production, maintenance and development of the corporate financial accounting and financial management applications. CAS provides a stable and secure corporate infrastructure for financial processing and is the official "book of record" for production of the Public Accounts.

- **Procurement and Supply Services (PSS)** provides procurement, asset storage and disposal, and supply services. This includes: the acquisition of goods and services; (Purchasing Services and IT Procurement) printing and publishing (Queen's Printer); management, processing and distribution of government mail (BC Mail Plus); publications (Publication Services); publishing of educational materials and hosting common learning systems for the K-12 school system and other public sector organizations (Open School BC); office products and specialty giftware (Distribution Centre Victoria); medical, emergency, health and safety supplies, uniforms and protective clothing, emergency preparedness products (Product Distribution Centre); surplus asset disposal and redistribution (Asset Investment Recovery); and the operation of the BC Bid system to advise suppliers of competitive tendering opportunities available with the public sector in British Columbia.
- **Strategic Acquisitions and Intellectual Property (SAIP)** manages and delivers strategic procurement planning, advice and implementation services for major acquisitions. It provides intellectual property management services, liaises with industry on issues related to government procurement and intellectual property and delivers procurement related training.

Office of the Chief Information Officer

The Office of the Chief Information Officer (CIO) is responsible for developing and supporting a corporate approach to the management of government's information and technology resources to citizens, businesses and the public sector. Five business areas provide service:

- **Information Security** is responsible for ensuring a secure Information Management (IM) and Information Technology (IT) environment for all of government with a focus on protecting, detecting, and responding to the information security needs of government. This includes creating government IT security strategy, policy, standards, and guidelines respecting IM/IT security.
- **Strategic Planning and Policy** provides corporate strategic planning and policy to directly support the CIO in IM/IT governance, legislation and policy, electronic government strategies, infrastructure and services, and privacy and information risk management. The legislation this area manages includes: the *Freedom of Information and Protection of Privacy Act*; the *Personal Information Protection Act*; the *Document Disposal Act*; and the *Electronic Transactions Act*.
- **Technology Planning and Standards** ensures government is positioned to make the best use of existing and emerging information technologies by developing the required architectures, plans and IT standards to support government's strategic direction, ministry service plans, and ministry information systems plans.
- **Planning and Strategic Partnerships** has primary responsibility for the interface between the office of the CIO and ministry partners, to ensure integration of information technology and information management plans and initiatives with corporate goals, objectives and priorities of government.

- **Network BC** was created to work with British Columbia communities and the private sector to bridge the digital divide in British Columbia and provide high-speed access to unserved rural and remote communities, support the move towards common service delivery models for government administrative services, leverage existing and new alliances with the federal government and First Nations to explore digital access for remote First Nations' communities, as well as aggregate public sector telecommunications to achieve benefits and cost savings for citizens and businesses.

Alternative Service Delivery (ASD) Secretariat

The ASD Secretariat facilitates and leads the transformation of government services and operations through strategic partnerships with the private sector. The ASD Secretariat provides the specialized resources to support the delivery of government's key outsourcing projects and other transformational service delivery initiatives and also to build the skills and capacity within government to manage long-term relationships with its third party service providers.

Strategic Context

This section of the Annual Report provides an overview of the context within which Citizens' Services operates and highlights activities undertaken and advancements made to manage opportunities and to mitigate risks.

Citizens' Services operates in a context where:

- The public expects government to enhance internal efficiencies, emphasize greater transparency and accountability, and improve service quality;
- The public also expects government to integrate and streamline services to create a cost-effective, seamless service delivery system;
- The private sector wants to be a valued partner in the provision of government services;
- British Columbians have access to advanced telecommunication and value-added on-line services; and
- Citizens want to be more electronically connected to government without compromising privacy or security.

To capitalize on opportunities and mitigate risks, strategies with defined deliverables were identified in the 2005/06 – 2007/08 Service Plan Update and were implemented over this past year. Results are described more completely in the Report on Performance section.

Key advances include:

High levels of citizen satisfaction (97%) with government services provided in person and over the telephone continue to be achieved;

In support of B.C.'s plan to guarantee the security of private information so that citizens can have confidence in government's ability to provide integrated services, the ministry hosted the North American Chapter of the Information Security Forum and the largest Privacy and Security Conference in Canada; chaired the National CIO's subcommittee on information protection; participated in various national and international committees and drafted a new security policy based on international standards (ISO 17799);

Work is underway to clarify the governance authority of the Province's Chief Information Officer for standard setting, oversight and approvals for the Province's information and for communications technology;

A Business/Enterprise Architecture strategy to identify opportunities for integrating related information across ministries is being developed;

A review of Chapter 12 Information and Technology Management of the Core Policy and Procedures manual has been conducted and revisions identified;

The Alternative Service Delivery (ASD) Secretariat assisted ministries to assess potential ASD initiatives and to design the most effective procurement approach and final deal structure for

the Province. Two new deals (Public Health Surveillance Solution and Provincial Laboratory Information Solution) were initiated in 2005/06 and the secretariat supported two additional projects (BC Health Guide and Service BC) through the Joint Solution Procurement process;

Network BC worked with TELUS to bridge the province's digital divide. By aggregating provincial technology spending and using the savings, communities were connected to affordable high-speed Internet without the requirement of new funding;

The FrontCounter BC service centre prototype opened in Kamloops and was subsequently transferred to the Integrated Land Management Bureau with additional offices opened in Prince George, Nanaimo and Surrey this year. These centres provide clients of provincial natural resource ministries with a one-stop service;

A comprehensive Workforce Planning Profile for Citizens' Services was developed. This will provide the basis for future human resource planning to attract and retain a talented and appropriately skilled workforce in an increasingly competitive market place;

Significant learning resulted from the impacts of implementing complex business processes and technology changes across government without fully anticipating the implications on service delivery. More attention is now being given to communications and change management. Deliberate actions are being implemented to improve service; and

Increased cross ministry collaboration and focus by the public sector on achieving the Five Great Goals has enabled Citizens' Services to move forward with its mandate to transform the delivery of services to the citizens of B.C.

Linkage to the Five Great Goals

Citizens' Services is uniquely positioned to support all Five Great Goals of government in that it is mandated to lead the transformation of service delivery across government. Service BC takes a leadership role in providing citizens with integrated information and services on behalf of ministries by phone, on the Internet or in person through the 59 Service BC – Government Agents Offices.

The Office of the Chief Information Officer and Common IT Services (within Shared Services BC) work together to provide a robust IT infrastructure and secure and standardized systems support. This enables secure information sharing and service integration across government.

In support of the Five Great Goals, significant progress was made over the past year:

- A comprehensive strategy with timelines and measurable outcomes has been developed for the cross government Citizen-Centred Service Delivery Initiative. Goals of this initiative include: improved quality of service to citizens; an increase in the quantity of service through improved access points; specialized service centres for specific client groups (e.g., seniors); and common performance standards, measures and reporting on citizen satisfaction throughout government;
- The development of the prototype and successful transition of the ongoing operations of FrontCounter BC to the Integrated Land Management Bureau;

- The development of a government-wide service commitments and guidelines document by an inter-ministry committee;
- BC 211 (toll-free service) is now in the Partnership Development and Implementation Planning phase with a final plan targeted for fall 2006; and
- Network BC ended the 2005/06 fiscal year with Internet connectivity to citizens and businesses in 240 of 366 communities, with the remaining communities to receive broadband access points by December of 2006.

In 2005/06, Citizens' Services also contributed to each of the Five Great Goals individually as follows:

Goal 1: *Make British Columbia the best-educated, most literate jurisdiction on the continent.*

- Network BC continued to extend broadband access to rural, remote and First Nations communities increasing the capacity of communities and citizens to take advantage of Internet connectivity. Support was also provided for several initiatives led by the Ministry of Education (e.g., the Provincial Learning Network, Connecting Libraries and Information Data Exchange System);

Goal 2: *Lead the way in North America in healthy living and physical fitness.*

- Citizens' Services is supporting BC NurseLine and ActNow BC by developing an efficient and co-ordinated information and technology infrastructure, and, interface with citizens.
- It also supported ministries in strategic health-related procurement activities (e.g., Provincial Laboratory Information Solution, Pan-Canadian Public Health Communicable Disease Surveillance and Management Project);

Goal 3: *Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk, and seniors.*

- Citizens' Services is leading the Citizen-Centred Service Delivery Initiative to support the social sector by providing: secure systems support for communications and collaboration across the entire workforce associated with this sector; service integration across the diverse set of organizations operating in the sector; information and application sharing, as required; and secure systems to maintain public trust;
- Service BC, in partnership with the United Way of the Lower Mainland, is developing a plan for a province-wide 211 toll-free service that will provide information and referrals to a full range of community, social, non-emergency health and government services;

Goal 4: *Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.*

- Citizens' Services supports B.C.'s Climate Change Action Plan by providing funding support for a Green Fleet (to buy hybrid vehicles);

Goal 5: *Create more jobs per capita than anywhere else in Canada.*

- Network BC continued to extend broadband access across B.C. helping create jobs in smaller communities; and
- Citizens' Services continues to provide support to FrontCounter BC.

Report on Performance

Introduction

This section describes progress made by Citizens' Services over 2005/06 towards achieving the five goals defined in its 2005/06-2007/08 Service Plan Update published in September 2005.

- Goal 1: Citizens, businesses and the broader public sector have cost-effective and efficient access to government services and information.**
- Goal 2: Core government and the broader public sector receive cost-effective and efficient internal management services.**
- Goal 3: Citizens, businesses and the broader public sector benefit from the ministry's leadership on cross-government strategic initiatives that drive the transformation of service delivery.**
- Goal 4: Government has effective governance for information and its technology infrastructure.**
- Goal 5: A customer-focused, results-oriented innovative, integrated and knowledgeable team.**

Since the publication of the 2005/06 – 2007/08 Service Plan Update in September 2005, the 2006/07 – 2008/09 Service Plan was developed. It is the intent in this 2005/06 Annual Service Plan Report to foreshadow the ministry's future direction as articulated in the 2006/07 – 2008/09 Service Plan. To see at a glance the changes between the two plans see Appendix 2 which juxtaposes the plans, section by section in a table.

The Ministry of Labour and Citizens' Services 2005/06 – 2007/08 Service Plan Update, published in September 2005, was aligned with Government's 2005/06 – 2007/08 Strategic Plan and particularly, with the Five Great Goals and the Cross Ministry Initiatives which were introduced in that plan. Strategies were also developed to address the issues/risks identified in the Planning Context section of the 2005/06 – 2007/08 Ministry Service Plan Update (see page 26 of the plan).

Citizens' Services continues to improve its process to ensure its reporting is credible, reliable and relevant. Its performance management system includes clear assignment of measure/strategy responsibilities and corporate oversight through the Performance Measurement Committee and the Executive Committee. It provides quality assurance with respect to the measures, methodologies and targets; monitors quarterly progress; and uses the updates to inform decision-making so that early corrective action can be taken.

Note: The Methodology Report (available at: http://www.labour.gov.bc.ca/pubs/related/pmr-ar_citizens.pdf) provides an overview of Citizens' Services performance management system and detailed descriptions for each measure (including purpose, methodology employed, target rationale, data and benchmarking sources).

Overview

The 2005/06–2007/08 Service Plan Update was a transition plan; the ministry was given new responsibility for leading the cross government Citizens-Centred Service Delivery Initiative and consequently a great deal of planning activity was initiated. Deliverables were also achieved against each of the goals in the Service Plan Update. Planned progress was achieved for 44 of the 45 strategies included in the plan. Progress for one strategy was delayed (the contract to develop an integrated channel management strategy has been negotiated and is awaiting a funding decision). For the 17 measures in the plan:

- 4 targets were exceeded;
- 5 targets were met or substantially met;
- 4 targets were not met; and
- For 4 measures there was an inability to report against the target.

The Performance Scorecard that follows provides a rating of 2005/06 results for each of the performance measures and supporting strategies included in the 2005/06–2007/08 Service Plan Update. It is followed by a discussion of results, by goal. This discussion includes progress on key strategy accomplishments and a variance analysis explanation of measure results relative to the 2005/06 targets, including baseline, trend and benchmark (internal and external) information, wherever possible. Information is provided on plans to address any performance gaps and future performance targets are included.

In preparing the Service Plan for 2006/07–2008/09, the ministry reduced the number of performance measures to reflect government's direction to focus on the few critical aspects of performance, with an emphasis on measures that are corporate in scope and of the greatest strategic importance to Citizens' Services.

The results of the nine measures that are not included in the 2006/07–2008/09 Service Plan are summarized below and explained more fully in Appendix 1.

- **Volume of customers served by Service BC–Government Agents and Service BC–Enquiry BC.** Transactions provided by Service BC–Government Agents were on target (at 2 million). Volumes were down slightly for Service BC–Enquiry BC (0.9 million compared to the target of 1 million). This decrease is attributed to improved access to the Medical Services Plan through the implementation of the new Health Insurance BC (HIBC) call centre.
- **Volume of BC OnLine transactions.** As a result of increased Land Title transactions related to the active real estate market, BC OnLine volume targets were exceeded (with 8.1 million transactions compared to the target of 7.4 million).
- **Rate of success in meeting service standards.** Common Business Services exceeded its target (96–99%) by achieving a 99.3 per cent success rate in meeting its service standards.
- **Rate of success in meeting service standards.** Common IT Services met established service standards 80 per cent of the time, missing its 90 per cent target.

- **Unit cost — Payroll Services.** HRMS/Payroll Services reduced the costs of their internal management services by 2.5 per cent, surpassing their 1.4 per cent target. This measure has been replaced in the 2006/07–2008/09 Service Plan by a better measure (payroll costs per employee paid) which also can be benchmarked externally.
- **Unit cost — Workstation Support Services.** Due to the extended period of the Workstation Refresh Project (the replacement of 30,000 workstations across government) it was not possible to calculate a meaningful cross-government unit cost. CITS and IBM Canada are committed to a specified cost profile as articulated in the contract.
- **Number of multi-agency public sector service transformation projects implemented.** The five project target was met. Five projects were implemented and a sixth project is 80 per cent complete. This measure was selected when the initiation of service transformation was critical. Projects will continue to be monitored.
- **Progress in implementing information management and technology infrastructure processes (COBIT-Control Objectives for Information and Related Technologies).** It was found that implementing COBIT, a governance and control framework for information and technology, was impractical as a measure as it required a heavy resource burden. Components of COBIT will continue to be used where suitable.
- **Percentage of viruses successfully blocked.** The target (90%) was exceeded. The implementation of Intrusion Prevention and anti-spam technology at the Internet gateway to SPAN/BC dramatically reduced the number of viruses entering the government network. Continual technology infrastructure changes drive modification to reporting mechanisms for this measure.

Goals, Objectives & Measures		Strategies	
Goal 1: Citizens, businesses and the broader public sector have cost-effective and efficient access to government services and information			
Objective 1: More choices for citizens and businesses in how and when they access government services and information, and for public sector clients in how their services are delivered Measures: • Rate of customer satisfaction (Service BC) (index) • Volume of customers served: — Service BC–Government Agents — Service BC–Enquiry BC • BC OnLine (transactions)	✓ △ ✓✓	• Deliver a broader range of services on behalf of client ministries • Implement an integrated channel management strategy to help ministries co-ordinate service delivery to enhance customer access • Lead co-ordination between ministries and other levels of government to further integrate service delivery to citizens	✓ II ✓
Objective 2: Cost-effective and efficient service delivery channels Measure: • Average per minute cost for service delivery (Service BC)	x	• Expand access to government services through new service delivery partnerships with the private sector • Integrate provincial, federal, and municipal service delivery to better meet the service needs of citizens • Champion collaborative projects, including planning for co-location of public sector offices in community-based facilities • Lead a strategy to assist ministries in moving to more cost-effective electronic service delivery	✓ ✓ ✓ ✓
Goal 2: Core government and the broader public sector receive cost-effective and efficient internal management services			
Objective 1: Customer and client satisfaction are maintained Measures: • Average customer satisfaction rating with service (index) • Average client satisfaction rating with effectiveness of service delivery (index) • Rate of success in meeting service standards: — CITS (index) — CBS (index)	x 0 x ✓✓	• Incorporate sustainable environmental management principles in the procurement of goods and services • Determine the rate of success in meeting established service standards • Implement improved financial forecasting processes to provide better business intelligence • Broaden self-service options for customers, including: Time Online; Employee Self-Service; and iExpenses	✓ ✓ ✓ ✓
Objective 2: Reduced overall shared services costs Measures: • Unit Cost — HRMS/Payroll Services — Workstation Support Services • Central Procurement operational costs are a percentage of value of total goods and services purchased	✓✓ 0 ✓	• Develop new service delivery partnerships with the private sector • Implement 2005/06 eProcurement Vision priorities • Increase services provided through Employee Self-Service • Implement the “next-generation” network to support ministries in delivering advanced on-line services to citizens and businesses • Create economies of scale by expanding the use of shared services in the broader public sector, where it positively impacts existing customers • Leverage government’s purchasing power by continuing to implement a strategic sourcing strategy • Benchmark services against industry standards to identify opportunities to improve performance • Continue introducing more cost-effective service models to ensure best value for clients • Successfully transition BCBC into the Ministry of Labour and Citizens’ Services	✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓

✓✓ Exceeded ✓ Achieved △ Substantially achieved X Not met II Delayed 0 No Report against target

Goal 3: Citizens, businesses and the broader public sector benefit from the ministry's leadership on cross-government strategic initiatives that drive the transformation of service delivery			
Objective 1: Innovations that enable government-wide co-ordination and efficiency in the delivery of services Measures: - Percentage of communities with access to broadband facilities - Number of multi-agency public sector service transformation projects implemented	✓ ✓	- Connect underserved communities to the Internet - Reduce the unit cost of bandwidth - Develop and build the "next-generation" public sector network - Support development of future ASD initiatives - Support the transfer and retention of skills within government to enable the development of ASD initiatives such as outsourcing - Launch the next wave of transformational ASD projects that align to the Five Great Goals - Improve access to government services and information in communities - Identify federal and provincial joint initiatives that improve service delivery, reduce duplication, and create economies of scale - Develop a more citizen-centred service culture within government	✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓
Goal 4: Government has effective governance for information and its technology infrastructure			
Objective 1: Strengthened information and technology infrastructure processes and practices across government Measure: Progress in implementing information management and technology infrastructure processes (COBIT – based scales)	0	- Define and support a government-wide action plan to co-ordinate electronic service delivery (e-Government Delivery Framework) - Improve the Information Resource Management Planning process to ensure co-ordinated information management and technology infrastructure decision-making - Simplify government business processes through information management and the application of technology - Develop and maintain government-wide procedures for information management - Lead the assessment of IM/IT risks - Improve the ability of government's information systems to work in conjunction with each other and share data - Guide investment and procurement for technology infrastructure	✓ ✓ ✓ ✓ ✓ ✓ ✓
Objective 2: Secure provision of information and supporting technology infrastructure Measures: - Percentage of viruses successfully blocked - Per cent alignment with ISO 17799 industry security standard	✓✓ x	- Implement government's Information Management/ Information Technology (IM/IT) Security Enhancement Project - On-going amendments to the Freedom of Information and Protection of Privacy Act and the Personal Information Protection Act - Implement the next phase of the Government Authentication Project	✓ ✓ ✓

✓✓ Exceeded ✓ Achieved △ Substantially achieved ✗ Not met II Delayed 0 No Report against target

Goal 5: A customer-focused, results-oriented, innovative, integrated and knowledgeable team			
Objective 1: The ministry's culture and leadership provide the foundation for high-performance Measure: • Rating of employee satisfaction	0	• Ensure a clear and shared understanding of direction and accountabilities through employee performance planning and division/branch planning processes	✓
		• Ensure staff have the knowledge, skills and abilities to deliver ministry goals	✓
		• Enhance results-oriented decision-making through improved performance and financial reporting	✓
		• Ensure information and technology are leveraged within the ministry	✓
		• Refine performance measures to ensure they are more results-oriented	✓
		• Implement a change management strategy to build a client and customer-focused workforce	✓

✓✓ Exceeded ✓ Achieved △ Substantially achieved ✕ Not met II Delayed 0 No Report against target

Goals, Objectives, Strategies and Performance Measures

Goal 1: Citizens, businesses and the broader public sector have cost-effective and efficient access to government services and information.

Offering customers (citizens, businesses and visitors) more choice in how they connect with government ensures customer-focused service provision. Improving and increasing access to government services and information through the Internet provides a cost-effective option for service delivery.

To meet the objective of providing citizens with more choices in how and when they access government services three strategies were implemented. Achievements against strategies include:

- research to assess and extend current multi-language capabilities was undertaken;
- a contract to develop an integrated channel management strategy to help ministries co-ordinate service delivery so that access is seamless and services are consistent across channels has been negotiated. Implementation is awaiting a funding decision; and
- Service BC, in partnership with the United Way of the Lower Mainland, is developing a plan for a province-wide 211 toll-free service that will provide information and referrals to a full range of community, social, non-emergency health and government services.

Results achieved related to the objective of providing cost-effective and efficient service delivery channels include:

- BC OnLine's offering of two new services; Datawitness, which provides "virtual notary" witnessing and Tax Certificates Online which combines Land Title information and municipal government information for delivery of tax certificates; and

- The Integrated Land Management Bureau and the Ministry of Labour and Citizens' Services won the Premier's cross-government Integration Award for the implementation of FrontCounter BC which opened offices in Kamloops, Nanaimo, Surrey, and Prince George. This service provides clients of natural resource ministries and agencies with one point of contact for all licenses and permits needed to conduct business.

Rate of customer satisfaction (Service BC) (index) measure

This measure demonstrates how satisfied customers are with the quality of service provided when they access government programs and information through Service BC service channels. The 2005/06 customer survey results indicate customer satisfaction with the quality of service from Service BC met the target.

Performance Measure	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Target Met?	2006/07 Target
Rate of customer satisfaction (Service BC) (index)	96%	96%	96%	97%	✓✓	> or = 96%

✓✓ Exceeded ✓ Achieved △ Substantially achieved ✗ Not met || Delayed ∅ No Report against target

The rate of customer satisfaction for Service BC combines the satisfaction scores of customers of Service BC – Government Agents and Service BC – Enquiry BC from surveys conducted in March 2006. Since 2002, the satisfaction ratings have consistently been in the mid-ninety per cent range. These results are the highest of any single-window government service provider from across Canada who has contributed to the Common Measurements Tool benchmarking database. The target for 2006/07 is to continue to meet or exceed a 96 per cent customer satisfaction rating.

Average per minute cost for service delivery measure

This measure evaluates the cost of delivering services through two of Service BC's channels — over-the-counter service provided by Service BC – Government Agents and the toll-free phone services provided by Service BC – Enquiry BC. It tracks the efficiency of the operation of these two services and is used to demonstrate progress in these areas. The performance result is influenced by factors such as: more efficient use of resources; expansion in the number of services provided; operating costs; and working with Service BC's client agencies to reduce the time it takes to deliver their services.

Performance Measure	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Target Met?	2006/07 Target
Average per minute cost for service delivery (Service BC)	N/A	\$1.63 per minute (Baseline)	\$1.61 per minute (1% reduction over base)	\$1.68 per minute	✗	> or = 2% reduction over base

✓✓ Exceeded ✓ Achieved △ Substantially achieved ✗ Not met || Delayed ∅ No Report against target

The target was not met. Factors which influenced the outcome include: a modest decrease (-0.4%) in workload volume due to the decline in the service volume of some client ministries; and an increase in spending of +2.7 per cent, consisting primarily of increases in IT costs. The target for this measure must be revisited to reflect organizational and budget changes.

Goal 2: Core government and the broader public sector receive cost-effective and efficient internal management services.

Government directs ministries to operate in an innovative, results-oriented and accountable manner. Citizens' Services contributes by reducing duplication and streamlining delivery of internal management services. Shared Services BC, one of government's shared service organizations, offers internal corporate management services (information technology, finance and administration, payroll, and procurement and supply services) to the public sector in a co-ordinated and customer-focused manner.

Progress has been made on each of the strategies designed to meet the objective of maintaining customer and client satisfaction.

- Work is underway with the Ministry of Environment to incorporate principles of sustainable environmental management in the procurement of goods and services.
- Service standards, established by Shared Services BC lines of business and tracked on a monthly basis, were almost all met or exceeded (see measure details).
- To provide better information to organizations within government, many improvements were made to financial forecasting processes: Common IT Services developed a new internal budget allocation method; Common Business Services instituted improved financial reporting; and the CAS Oracle Financial Upgrades pilot is expected to provide enhanced business intelligence reporting options and improvement in ease of use of self-service tools.
- Examples of growth of self-service options include: BC Auction, which allows the public to view, bid and buy surplus assets over the Internet, experienced a steadily increasing business volume; and, 70 per cent of government employees used the new on-line function to participate in the Provincial Employees Community Services Fund this year.

Achievements relating to the objective to reduce overall shared services costs include:

- In support of developing new service delivery partnerships with the private sector, a Proponent's Guide to assist private sector suppliers in responding to Requests for Proposals issued by the B.C. Government, was published and new service delivery partnerships with the private sector were entered into;
- eProcurement, a single system accessed by government employees, captures purchasing patterns and enables government to identify opportunities for strategic sourcing and for lowering the cost of purchase for commonly used goods and services. This system also reduces payment cycle times, eliminates manual processes, reduces data entry, increases information sharing and makes it easier for suppliers to do business with government;

- When this year's Canada Payroll Savings campaign moved from paper-based to electronic, the government employee participation rate increased and the paper forms were reduced by 98 per cent;
- Citizens' Services continues to create and leverage economies of scale by expanding the use of shared services and corporate supply arrangements. Procurement, distribution, and printing services and policy advice have been provided to the BC Olympic and Paralympic Winter Games Secretariat. BC Bid provides on-line procurement opportunities via the 2010 Commerce Centre. In addition, the Province's licensing agreement with Oracle/PeopleSoft offers a breadth of licensing capacity that has generated economies of scale and enabled broader public sector clients to benefit from the rental of 16,000 of these licenses to date;
- Achievements in implementing the "next-generation" network, the foundation for ministries to deliver advanced on-line services to citizens and businesses, included the release of BCeID. This release includes over-the-counter registrations (e.g., in Service BC – Government Agent's offices), directories of e-services and improved facilities for both the public and the delivery units. This is part of the Corporate Authentication Program which provides citizens and businesses with secure Internet access when registering for a wide range of government services;
- Support was provided to the Provincial Learning Network to complete the Lower Mainland School-Backbone upgrade affecting 313 schools and also upgraded the network capacity in 24 additional schools;
- Work with the Liquor Distribution Branch's retail network resulted in a Request For Proposal for a network connecting 200 stores, 2 warehouses and head office;
- Network Services also put into production 13 Voice Over Internet Protocol (VOIP) sites, integrating incident and problem management with Shared Services BC's operational and incident management processes. VOIP technology lowers costs to users by enabling telephone conversation signals to be carried over SPAN/BC;
- To support the strategy of introducing more cost-effective service models to ensure best value to clients, Common IT Services completed service descriptions, developed a Funding Model strategy, implemented improved year-end financial procedures, developed an Information Management strategy and confirmed the approach for Interim Financial Reporting; and
- More than 60 per cent (16,000) of workstations in government have been refreshed and 84 per cent of customers reported satisfaction/neutrality with the change.

One significant additional strategy, to successfully transition BCBC into the Ministry of Citizens' Services, was added after the 2005/06 – 2007/08 Service Plan Update was published.

- All major elements related to the transition of BCBC into the Ministry of Citizens' Services were completed including in particular: (i) passage of the *Public Agency Accommodation Act* to cause the transfer of BCBC assets and liabilities to the Crown and dissolve the Corporation on April 1, 2006; (ii) approval of the Accommodation and Real Estate Services (ARES) customer base and pricing model; (iii) creation of a new ARES organizational structure; (iv) transition of staff to the Ministry and successful resolution

of staff related issues, transition of internal business policies; and, (v) communications and training for customers and employees on significant elements of the transition and revisions to the operating model. Service delivery was maintained over this period of transition.

Average customer satisfaction rating with service (index) measure

Customer satisfaction provides an indicator of how satisfied public sector staff are with the availability, usability and delivery of internal shared services provided by Common IT Services (CITS), Human Resources Management Systems (HRMS)/Payroll Services, Corporate Accounting Services (CBS-CAS) and Common Business Services-Procurement and Supply Services/Strategic Acquisitions Intellectual Property (CBS-PSS/SAIP). Customer satisfaction ratings are used to continuously improve the quality and effectiveness of the services provided by Shared Services BC.

Performance Measure	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Target Met?	2006/07 Target
Average customer satisfaction rating with service (public sector staff) (index)	N/A	76% ¹	> or = 77%	69%	✗	79%
¹ The 2004/05 baseline has been restated to reflect an equal weighting of each of the 4 business areas for which customer satisfaction surveys were completed: CITS, HRMS/Payroll Services, CBS-CAS and CBS-PSS/SAIP.						

✓✓ Exceeded ✓ Achieved △ Substantially achieved ✗ Not met || Delayed ∅ No Report against target

The average customer satisfaction rating for Shared Services BC in 2005 was 69 per cent. This rating is based on an index of the most recent customer satisfaction results for the four Shared Services BC business areas. In 2005/06, a decline occurred in two business areas: HRMS/Payroll Services (60%); and CITS (68%). Common Business Services-PSS/SAIP received an 83 per cent satisfaction rating which is consistent with their target. The CBS-CAS rating was 62 per cent (2004/05).

The lower satisfaction rating for HRMS/Payroll Services and CITS is attributed partly to the significant technology changes and business process redesign implemented in 2005/06. These changes impacted over 25,000 public sector staff across government. In the case of HRMS/Payroll Services, the changes involved the introduction of more rigorous requirements for specific processes, primarily leave management. CITS also introduced a new service delivery model for workstation support services which included workstation support (helpdesk and incident management), file and print services, and a major technology upgrade (new desktop hardware and software). Both groups have initiated service transformation strategies and action plans to improve aspects of business management and service delivery. Most of the changes resulting from these initiatives will be implemented by the end of 2006/07 and it is expected that customer satisfaction levels will improve when service is stabilized.

Average client satisfaction with effectiveness of service delivery (index) measure

This measure is an indicator of how successful Shared Services BC is in meeting client expectations and service requirements for Common Business Services – Corporate Accounting Services (CBS-CAS), HRMS/Payroll Services and Common IT Services (CITS). Shared Services BC clients are the senior decision-makers for organizations within the public sector who purchase internal management support services. By monitoring client perceptions about the services they receive, Shared Services BC can refine service delivery processes and drive satisfaction to higher levels.

Performance Measure	Baseline	2005/06 Actual	2006/07 Target
Average client satisfaction with shared services (public sector decision-makers) (index)	Tbd	56%	Increase satisfaction rating

The 2005/06 results indicate that overall 56 per cent of clients were satisfied or very satisfied with Shared Services BC's performance. Client satisfaction varied among the business areas. Common Business Services – CAS received an overall rating of 86 per cent of clients indicating they were satisfied with this area's performance. This positive rating reflects the maturity of processes and technology for the financial application portfolio that this group manages and the successful implementation of their change management and communication strategies.

The overall client satisfaction ratings (satisfied or very satisfied) for HRMS/Payroll Services was 45 per cent and for CITS was 37 per cent. These lower ratings are partly attributed to the amount and complexity of technology and business process changes introduced this year. Of note is that a significant percentage of survey respondents indicated they were neutral in rating their satisfaction. Comments received suggest that clients understood the challenges faced by the service delivery providers and are expecting improved service in 2006/07. Both CITS and HRMS/Payroll Services have taken action to address service issues and technology implementation challenges encountered in the transition and implementation of the new service delivery models.

Because the methodology for assessing client satisfaction has changed, the previous target cannot be reported against. The client satisfaction ratings reported in the two previous service plans were derived from surveys of a cross-section of senior decision-makers conducted by BC STATS to measure how effectively shared services were delivered. The previous surveys had consistently low response rates. A new methodology developed to address this issue and produce a more representative and accurate assessment of client satisfaction was implemented this year. Cross ministry client advisory councils for three areas of Shared Services BC (HRMS/Payroll Services, CBS-CAS and CITS) were surveyed about specific aspects of service delivery and support and business relations as well as their perceptions about the overall performance of Shared Services BC business areas. The baseline and targets for this measure will be defined early in 2006/07.

Central procurement operational costs as a percentage of value of total goods and services purchased measure

The efficiency of the government's central procurement services compared to the industry standard is evaluated by this measure. The measure is calculated by comparing fully burdened operating costs incurred by the Purchasing Services Branch (PSB) to provide procurement services, to the total value of the goods and services purchased through the branch.

Performance Measure	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Target Met?	2006/07 Target
Central procurement operational costs as a percentage of value of total goods and services purchased	N/A	0.72% (3-year rolling average ¹) (baseline)	Meet industry standard of 1% or less	0.78% (3-year rolling average)	✓	Meet industry standard of 1% or less
¹ This performance result has been restated as a weighted rolling average of 2004/05 and the previous two fiscal years.						

✓✓ Exceeded ✓ Achieved △ Substantially achieved ✗ Not met || Delayed ∅ No Report against target

Purchasing Services Branch achieved its target of total operating costs being one per cent or less than the total value of goods and services purchased. The 2005/06 result of 0.78 per cent is the three-year weighted rolling average for the period 2003/04 through 2005/06. Taking the weighted average of the results from the previous two and current fiscal years provides a more accurate representation of performance because it takes into account the variability in the annual expenditures for goods and services year over year. For the three-year period this measure covers, the cost of PSB was \$8.6 million while the total value of goods and services procured was \$1.1 billion. The 2005/06 result is up from 0.72 per cent weighted average for the previous year reflecting a decline of \$62 million in the total value of procurements and an operating cost increase of \$251,000. PSB has implemented Activity Based Costing to identify opportunities to streamline processes and improve its efficiency and cost-effectiveness.

Goal 3: Citizens, businesses and the broader public sector benefit from the ministry's leadership on cross-government strategic initiatives that drive the transformation of service delivery.

The ministry facilitates and leads a number of government-wide initiatives designed to transform service delivery. Network BC, the Alternative Service Delivery (ASD) Secretariat and the Service Delivery Initiative Office act as agents of change or catalysts for many of these initiatives.

Progress was achieved on each of the strategies implemented to enable government-wide co-ordination and efficiency in the delivery of services.

- 312 of 366 communities (85%) were provided with access to broadband facilities; those remaining will be connected by the end of 2006. Satellite capacity was used to

connect 15 of the most remote communities. Connectivity to homes and businesses (last-mile) has been extended to 240 communities. Network BC and TELUS developed two unique pricing models to enable last-mile connectivity. Telecommunication and Internet links, not only enhance personal communications, but also facilitate the delivery of new educational, health care and other services and increase the revitalization of rural communities by allowing participation in the global electronic economy.

- In support of developing business cases and implementing alternative service delivery projects, the ASD Secretariat assisted ministries to assess several potential projects, launch Joint Solution Procurements for viable projects and for approved projects, design the most effective procurement approach and deal structure for the province. Two new deals (Public Health Surveillance Solution and Provincial Laboratory Information Solution) were initiated in 2005/06 and the ASD Secretariat continued to support BC Health Guide and Service BC through the Joint Solution Procurement process. Since its inception the ASD Secretariat has worked with and transferred skills to 16 teams and 8 ministries across government.
- To create government corporate competency in planning, negotiating and executing successful long-term contracts, the ASD Secretariat launched the Executive Institute on Alternative Service Delivery. Over 50 participants have completed the first three sessions and will complete the full course by May 2006.
- Two significant advancements were realized this year in improving access to government services and information in communities. The prototype FrontCounter BC office was opened in Kamloops. Subsequently the Integrated Land Management Bureau opened offices in Nanaimo, Surrey and Prince George to provide business clients in these communities with one-stop services by the provincial natural resource ministries and agencies. The BC Community Connectivity Co-operative delivered over 70 workshops in rural communities across the province to build capacity related to use of the Internet.
- In support of developing a more citizen-centred service culture within government a service commitments and guidelines document has been drafted by an inter-ministry committee and is being reviewed.

Percentage of communities with access to broadband facilities measure

This performance measure demonstrates the level of success in providing communities with access to broadband facilities. As part of its goal to make B.C. the most educated and literate jurisdiction on the continent, the Province is investing in infrastructure to bring broadband access points to 366 communities by the end of 2006. Closing the digital divide will increase the capacity of citizens and communities to take advantage of information technology to improve access to health, education, business and other government services.

Performance Measure	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Target Met?	2006/07 Target
Percentage of communities with access to broadband facilities	54%	84% (308 of 366 communities)	85% (311 of 366 communities)	85% (312 of 366 communities)	✓	100% (366 of 366 communities)

✓✓ Exceeded ✓ Achieved △ Substantially achieved ✗ Not met II Delayed ∅ No Report against target

The 2005/06 target for this measure was met. As of March 31, 2006 there are 312 communities of 366 that have a high-speed connection point. Significant progress has been made to close the digital divide since the original targets were established by the Premier's Technology Council in 2001. The performance result for 2004/05 exceeded the 75 per cent target and represented significant improvement from the 2003/04 base of 54 per cent. The 2005/06 performance result included service upgrades in many communities that had very limited broadband service. While it represents a small impact with respect to the number of overall communities served, it represents a huge increase in the number of citizens and businesses within the area who can access high-speed service for the first time. By the end of December 2006, the balance of the communities will have high-speed connection points in place (with the exception of four communities that will have their connections in place in early 2007). The 2006/07 target of 100 per cent represents the completion of the work required to provide all the communities identified by the Premier's Technology Council with access to broadband.

Goal 4: Government has effective governance for information and its technology infrastructure.

The Chief Information Officer defines the corporate requirements for information management and information technology, and assists ministry and program managers to achieve their service objectives as well as promoting corporate or government objectives.

To strengthen and secure information and technology infrastructure processes and practices across government, key achievements were:

- Work progressed on e-BC core foundation projects: privacy; authentication; electronic record management; common user interface; interoperability standards; e-government management; and central funding. A Business/Enterprise Architecture strategy is being developed with a key objective to identify opportunities for integrating related services;
- The focus of this year's Information Resource Management Planning process was on ministry projects, strategic IM/IT issues, requirements of central agencies and on opportunities for integration and collaboration across ministries;
- The Chief Information Officer has taken a lead in developing a Corporate Authentication Program to enable government to manage identity and eligibility information used for electronic service delivery programs and services;
- With industry specialists, ministry representatives and internal technical experts, an identity aware network service is also being designed to allow maximum data sharing;

- To assess IM/IT risks, 38 reviews on various applications were performed. 206 investigations were conducted relating to major security incidents; this marks a 77 per cent increase from 2004/05. A network Intrusion Prevention System was implemented which blocks 10 million malicious events each month;
- A framework for introducing and monitoring government's adoption of ISO 17799 international standards to facilitate compliance was established. A new security policy based upon ISO 17799 has been drafted;
- A project was also initiated to review and provide enhancements to the data protection of Blackberries and other types of Personal Digital Assistants; and
- Chapter 12 (Information Management and Information Technology Management) of the Core Policy and Procedures Manual was updated. On-going amendments to the *Freedom of Information and Protection of Privacy Act* and the *Personal Information Protection Act* were also made to further protect the personal information of British Columbians.

Per cent alignment with ISO 17799 industry security standard measure

The ability to provide better service delivery to citizens is dependent on the provision of secure access to government services and information. The intention of this measure is to demonstrate the government's rate of success in meeting industry standards and best practices for information security.

Performance Measure	2004/05 Baseline	2005/06 Target	2005/06 Actual	Target Met?
Per cent alignment with ISO 17799 industry security standard	50%	80%	60%	X

✓✓ Exceeded ✓ Achieved △ Substantially achieved X Not met II Delayed Ø No Report against target

The target for this measure was not met. A delay in the implementation of infrastructure security projects contributed to the 2005/06 result of 60 per cent alignment with the ISO 17799 security standard.

This measure will be replaced with a new measure that will use the International Security Forum (ISF) assessment framework. This framework is based on the ISO 17799, an international information security standard that sets out what security controls should be in place for best practices security.

Goal 5: A customer-focused, results-oriented, innovative, integrated and knowledgeable team.

In order to lead the transformation of service delivery across government, ministry staff must be customer-focused and result-oriented. They must also have the knowledge and skills to develop and implement innovative service delivery solutions.

The following achievements were realized against strategies implemented to strengthen the culture and provide effective leadership for the high-performing workforce that Citizens' Services requires for the future.

- Ensuring a clear and shared understanding of direction and accountabilities was achieved through the development and communication of the three-year service plan and annual business plan. Division and individual employees developed goals in alignment with these plans. Implementation of the annual plan was monitored on a quarterly basis.
- To ensure that staff have the knowledge, skills and abilities to deliver ministry goals a comprehensive Workforce Profile for Citizens' Services was developed; selected courses were offered; and, senior management meetings were held and communications delivered. An orientation program was also designed for new employees.
- A financial community of practice was established to improve financial reporting. A reporting framework for the Shared Services Board was approved and will be implemented in 2006/07.
- 34 per cent of the workstations within the ministry have been refreshed and all will be by December 2006.
- More results-oriented performance measures were identified and methodologies for measures were documented. Benchmarking studies continue to be undertaken and results are used to improve business processes.
- A change management discipline, including preparation and implementation of communication plans, continues to be applied to significant change initiatives in the ministry.

Rating of employee satisfaction measure

Employee satisfaction was previously measured by Citizens' Services to provide an indication of the progress being made towards ensuring that the culture and leadership supported high-performance. Starting in 2006, an annual government-wide survey will be conducted by the BC Public Service Agency. The intent of this survey is to measure the health of the public service work environment. Surveying the work environment will provide information about employee engagement.

As a result of the change in the focus for the employee survey, Citizens' Services is unable to report against the target stated in the 2005/06–2007/08 Service Plan Update. The results of the 2006 Work Environment Survey are not yet available.

Deregulation

Citizen's Services has met its deregulation commitments since 2002/03 and developed legislation, regulation and policy using the regulatory reform policy. In 2005/06 Citizens' Services reduced one regulatory requirement. Amendments were made to the *Freedom of Information and Protection of Privacy Act* (FOIPPA) to provide strong protection for personal information, limit the privacy invasiveness of extra-territorial legislation such as the *USA Patriot Act*, and permit government to effectively conduct its business with the global economy. The ministry also introduced training and implementation tools to significantly reduce the extra work businesses faced in becoming compliant with the *Personal Information Protection Act* introduced late in 2004.

Report on Resources

Much of the Ministry of Labour and Citizens' Services operates on a cost-recovery basis. The majority of ministry branches receive a voted appropriation of only \$1,000 — driving them to operate in a disciplined, business-like manner. This "\$1,000 vote structure" means that at the end of the fiscal year, expenditures must not exceed recoveries by more than \$1,000. As a result, the voted appropriation of approximately \$192.838 M in 2005/06 is a relatively small portion of the ministry's gross budgeted expenditures which were \$306.66 M. For fiscal year 2005/06 the ministry had a Full-time Equivalent staff allocation of 1,926.

Labour Programs

Labour Programs reported a \$0.59 M surplus on a budget of \$15.68 M. The under expenditure was due primarily to a recruitment lag associated with the additional resources provided to Industrial Relations.

Service Delivery to Citizens and Businesses

Service Delivery reported a minor surplus of \$0.06 M (0.25%) on a total budget of \$24.76 M. This program received additional funding through access to contingencies of \$1.80 M to support the operation of Service BC – Government Agents offices throughout the province as well as the operation of the Online Channel Office that supports citizens' access to government services through the Internet.

Public Service Operations (Shared Services BC)

Public Service Operations reported a \$3.18 M (2.40%) over expenditure. However, surplus funds were identified in other areas of the ministry which allowed the program to fund items such as business transformation; improved security of government workstations; upgrades for the regional network center supporting FrontCounter BC (Kamloops); computer monitor upgrades; improved disaster recovery capacity; and upgrade of systems supporting such areas as avalanche warnings and BC Treasury.

Service Transformation

Service Transformation reported a \$7.87 M surplus due to increased recoveries for Network BC. This was achieved because public sector telecommunications were aggregated to achieve benefits and cost savings for government. Some of these savings were used to fund the projects referenced in the Public Service Operations core business as well as the Governance core business.

Governance

Governance reported a \$1.26 M (10.61 %) over expenditure which was due, in part, to an investment in software to assist government in the management of its electronic records. The savings in Network BC allowed the ministry to move forward on this initiative.

Executive and Support Services

Executive and Support Services reported a \$0.39 M (4.46 %) surplus due primarily to salary savings as a result of recruitment lag.

Resource Summary 2005/06

Core Business Areas	Estimated	Other Authorizations	Total Estimated	Actual	Variance ¹ (Actual less Total Estimated)
Operating Expenses (\$000)					
Ministry Operations — Vote 35					
Labour Programs	15,689		15,689	15,098	(591)
Service Delivery to Citizens and Businesses	22,956	1,805	24,761	24,698	(63)
Public Service Operations	131,778	561	132,339	135,523	3,184
Service Transformation	1,809	195	2,004	(5,875)	(7,879)
Governance	11,870		11,870	13,136	1,266
Executive and Support Services	8,736		8,736	8,338	(398)
Sub-Total	192,838	2,561	195,399	190,918	(4,481)
Adjustment of Prior Year's Accrual ²				(48)	(48)
TOTAL VOTE 35	192,838	2,561	195,399	190,870	(4,529)
Full-time Equivalents (Direct FTEs)					
Labour Programs	422		422	370	(52)
Service Delivery to Citizens and Businesses	364		364	357	(7)
Public Service Operations	965		965	900	(65)
Service Transformation	21		21	25	4
Governance	89		89	78	(11)
Executive and Support Services	65		65	35	(31)
TOTAL VOTE 35	1,926		1,926	1,765	(161)
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)					
Ministry Capital — Vote 35					
TOTAL VOTE 35	80,464		80,464	58,945	(21,519)
¹ Variance display convention ¹ is consistent with public accounts. Variance is in all cases "Actual" minus "Total Estimated". If the Actual is greater, then the Variance will be displayed as a positive number. ² Amount reflects adjustment of prior year's expense accruals which were credited to ministry expense and not available for the ministry to spend.					

Annual Report Appendices

Appendix 1: Performance Measures not included in the 2006/07 – 2008/09 Ministry of Labour and Citizens' Services Service Plan

Performance Measures not included in the Labour component of the 2006/07 – 2008/09 Service Plan

The 2006/07 – 2008/09 Service Plan represents a substantial departure from the 2005/06 – 2007/08 Service Plan Update in that Labour adopted a "Balanced Scorecard" approach to ensure that its goals and objectives represented a balance of several different perspectives (stakeholders, effectiveness and innovation). In addition, the number of performance measures was substantially reduced, from 30 to eight, with a view to increasing the focus on the measurement of corporate (rather than branch or program area) performance. Three of the eight measures are new to the 2006/07 – 2008/09 Service Plan, and five others are carried over from the 2005/06 – 2007/08 Service Plan Update.

The following 25 measures are not included in the 2006/07 – 2008/09 Service Plan, although they continue to be tracked at the branch or program area level.

- Number of complaints received by the Employment Standards Branch
- Number of speaking engagements and training sessions
- Average monthly Employment Standards Branch website hits
- Percentage of workforce working in industries covered by sector specific initiatives
- Number of contraventions within industries covered by sector specific initiatives
- Number of Self-Help Kit downloads
- Timeliness of employment standards cases addressed prior to adjudication
- Timeliness of employment standards cases addressed at the adjudication stage or later
- Average days lapsed from appeal to the Employment Standards Tribunal to reconsideration or disposition
- Per cent of Employment Standards Tribunal decisions received within 20 days of assignment to a Member of the Tribunal
- Per cent of reconsideration request decisions that confirm the original appeal decision
- Number of Labour Relations Board website hits
- Number of issues brought to the attention of the Labour Relations Board that are addressed before becoming formal applications
- Number of Labour Relations Board applications and complaints disposed of
- Percentage of disputes settled without a formal decision, order or declaration by the Labour Relations Board

- Number of mediator appointments under the *Labour Relations Code*
- Average number of days from receipt of application to the Labour Relations Board to decision
- Number of inquiries responded to by Workers' Advisers Office
- Number of Workers' Advisers Self-Help Kits distributed
- Workers' Advisers Office public education seminar participation
- Employers' Advisers Office information and skills development seminar participation
- Number of workers' appeals impacted by the Workers' Advisers Office as a proportion of all appeals in the system
- Number of appeals impacted by the Employers' Advisers Office as a proportion of all appeals in the system
- Employers' Advisers appeal intervention closures
- Backlog of appeals acquired from old system at implementation of Workers' Compensation Appeal Tribunal

The following five measures from the 2005/06–2007/08 Service Plan Update are contained (in their current or slightly modified form) in the 2006/07–2008/09 Service Plan.

- Determinations upheld by the Employment Standards Tribunal
- Proportion of Employment Standards Branch cases closed prior to adjudication
- Percentage of *Labour Relations Code* mediation applications settled
- Percentage of Employment Standards Tribunal cases decided within 90 days of date of appeal
- Average number of Labour Relations Board backlog cases

Performance Measures not included in the Citizens' Services component of the 2006/07–2008/09 Service Plan

The following nine measures are not included in the 2006/07–2008/09 Service Plan, and are no longer tracked corporately. The number of performance measures has been reduced with an emphasis on those that are corporate in scope and of the greatest strategic importance to Citizens' Services.

Volume of customers (end-users) served:

This performance measure demonstrates that citizens are accessing government services and information through a range of channels that meet their needs. Results are tracked for customers serviced by Service BC–Government Agents and through Service BC–Enquiry BC.

Performance Measure	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Target Met?
Volume of customers (end-users) served:					
• Service BC – Government Agents	1.99 million	2 million	2 million	2 million	✓
• Service BC – Enquiry BC	1 million	1 million	1 million	0.9 million	△

✓✓ Exceeded ✓ Achieved △ Substantially achieved ✗ Not met || Delayed ∅ No Report against target

Variance Discussion

Service BC – Government Agents. The target was met. Two million customers accessed the services provided by Service BC – Government Agents. This measure is consistent with the forecast and the previous year's performance.

Service BC – Enquiry BC. The target was substantially achieved. 0.9 million customers accessed the services of Service BC – Enquiry BC. Although short of the 1 million target, citizens did continue to receive services. The reduction in call volume is attributed to an increase in calls handled by the Medical Services Plan. With implementation of the new Health Insurance BC call centre, citizens have improved access to the Medical Services Plan.

BC OnLine (transactions):

This measure tracks the volume of business customers (legal, business, government and professionals) using the on-line access to e-government services.

Performance Measure	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Target Met?
BC OnLine (transactions)	6.43 million	6.9 million	7.4 million	8.1 million	✓✓

✓✓ Exceeded ✓ Achieved △ Substantially achieved ✗ Not met || Delayed ∅ No Report against target

Variance Discussion

The volume of transactions for BC OnLine has exceeded the target of 7.4 million. The volume increase is consistent with the previous year's performance. The volume growth in 2005/06 is largely attributed to increased Land Title transactions linked to the active real estate market.

Rate of success in meeting service standards (Shared Services BC):

This measure assesses the success of Common IT Services (CITS) and Common Business Services (CBS) in meeting the service standards established in service schedules and catalogues. A high degree of success in meeting service standards is predictive of high levels of customer satisfaction. Service standards are monitored on an ongoing basis and variability in standards is an early warning of a disrupted process that needs attention. Swift identification of the problem and implementation of a solution ensures that customer satisfaction does not decline due to repeat service issues.

Performance Measure	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Target Met?
Rate of success in meeting service standards:					
• CITS (index) ¹	N/A	82%	90%	76.2%	✗
• CBS (index) ²	98.2%	98.2% (2003/04)	96% – 99%	99.3%	✓✓
¹ The CITS index is comprised of service standards established for Workstation Support Services and Incident Resolutions (Priority 1-4) (Source: CITS Workstation Service Monthly Operations Reports and ITIMS Reports). This measure was not reported prior to 2004/05. ² The CBS index is based on 7 service standards related to reliability and 5 service standards for timeliness and delivery (Source: CBS Service Level Agreements).					

✓✓ Exceeded ✓ Achieved △ Substantially achieved ✗ Not met || Delayed ∅ No Report against target

Variance Discussion

CITS (index): The target for this measure was not met. The performance is due to a combination of long standing service delivery issues and the implementation of a new service delivery model. Business transformation strategies to address the service level deficiencies were defined in December 2005 and are now being implemented. Significant improvements to financial processes that support service management and delivery were implemented in fiscal 2005/06. In addition, several service improvement strategies have been implemented for Workstation Support Services and are demonstrating strong positive results. These, and further business transformation initiatives, are expected to enable improved performance. This measure will be tracked internally and the results will be used to manage and improve services.

CBS (index): Common Business Services (Corporate Accounting Services, HRMS/Payroll Services, Procurement and Supply Services/Strategic Acquisitions and Intellectual Property) achieved a 99.3 per cent overall rate of success in meeting its service standards in 2005/06. This exceeded the 2005/06 target of 98.2 per cent. Service standards targets for the division are defined in three areas: reliability and availability (97.8%); timeliness and delivery (97.4%); and accuracy (99.5%). The 2005/06 targets were exceeded in all three areas.

Unit Cost: Human Resource Management Systems (HRMS)/Payroll Services and Workstation Support Services:

This measure indicates a reduction of unit costs of two key internal management services over time. The two services, HRMS/Payroll Services and Workstation Support Services, are managed by Shared Services BC and delivered through Alternative Service Delivery (private sector) partnerships.

Performance Measure	2004/05 Actual	2005/06 Target	2005/06 Actual	Target Met?
Unit Cost:				
• HRMS/Payroll Services	Baseline cost per active employee	1.4% reduction over base	2.5% reduction over base	✓✓
• Workstation Support Services	Baseline cost per seat	0% reduction over base	Not reporting	

✓✓ Exceeded ✓ Achieved △ Substantially achieved ✗ Not met II Delayed Ø No Report against target

Variance Discussion

HRMS/Payroll: The target was exceeded. Two factors contributed to the positive result: technology and business process changes to the time and leave management system; and the continuous improvement and streamlining of service delivered by the third party.

Workstation Support Services: This measure will not be reported. The blend of information technology services and systems provided by Workstation Support Services and the various cost structures across ministries have changed. As a result, the cost ratio information captured by this measure is no longer valid. An alternate and improved measure has been added to the 2006/07 – 2008/09 Service Plan. The new measure is a comparative indicator on the amount of IT infrastructure spending per end-user across the government enterprise and will be compared to an external industry benchmark.

Number of multi-agency public sector transformation projects implemented:

This measure was intended to assess government's progress on improving the quality and efficiency of service delivery for specific groups of citizens, businesses and public sector organizations. The selection and implementation of the projects was made on the basis that they would address barriers to cross-ministry collaboration and advance a citizen-centred approach to service delivery.

Performance Measure	2004/05 Actual	2005/06 Target	2005/06 Actual	Target Met?
Number of multi-agency public sector service transformation projects implemented	5 projects	5 projects	5 projects complete; 1 project 80% complete	✓

✓✓ Exceeded ✓ Achieved △ Substantially achieved ✗ Not met II Delayed Ø No Report against target

Variance Discussion

The target for this measure was met. The following 5 projects were completed in 2005/06: (i) Seniors Services; (ii) FrontCounter BC (successfully implemented the first FrontCounter BC prototype service in Kamloops and transitioned on-going operations and development to the Integrated Land Management Bureau); (iii) Sub-division Review Process Streamlining,

which became part of FrontCounter BC; (iv) Training and Leadership/Community-Based Training; and (v) Cross Ministry Service Planning Process (this latter project was added in June and replaced the originally planned Access to Information for Recent Immigrants Project, which was put on hold). One additional project, the Channel Management Strategy, is 80 per cent complete; completion pending funding.

Progress in implementing information management and technology infrastructure processes (COBIT):

Effective decision-making processes assist in maximizing the value of government's information and technology infrastructure. This measure was based on the COBIT methodology to assess the processes supporting information and technology in terms of their level of organization and maturity. The maturity model starts with a state where there is nothing in place and moves toward one that is marked by best practices being followed and automated. The baseline and target set for 2005/06 represent an organization where processes are managed.

Performance Measure	2004/05 Actual	2005/06 Target	2005/06 Actual	Target Met?
Progress in implementing information management and technology infrastructure processes (COBIT-based scales)	Level 3 of 5 industry standard maturity model	Level 3 of 5 industry standard maturity model	Not reporting	

Variance Discussion

A result will not be reported for this measure. Due to the heavy resource burden required to fully implement COBIT (Control Objectives for Information and Related Technologies), a high level government and control framework for information and technology, its implementation as a corporate measure was not practical. Components of COBIT will, however, continue to be used by ministries and government agencies where suitable.

Percentages of viruses successfully blocked:

This measure demonstrates government's ability to minimize disruptions to computer systems by blocking viruses at strategic entry points to the province's IT infrastructure.

Performance Measure	2004/05 Actual	2005/06 Target	2005/06 Actual	Target Met?
Percentage of viruses successfully blocked	90% (estimated)	90%	91.2%	✓✓

✓✓ Exceeded ✓ Achieved △ Substantially achieved ✗ Not met || Delayed ∅ No Report against target

Variance Discussion

The target was exceeded. Measuring the percentage of viruses that are successfully blocked is derived from a combination of trend analysis and the reporting of actual virus infections. The implementation of Intrusion Prevention and anti-spam technology at the Internet gateway to SPAN/BC dramatically reduced the number of viruses entering the government's network. This resulted in an improvement of the overall success rate in meeting this target.

Continual technology infrastructure changes drive modifications to reporting mechanisms. As a result the methodology to support this measure is revised on an ongoing basis. Due to variability in how the measure is derived it is not possible to report results consistently. This measure will continue to be tracked but will not be reported corporately.

Appendix 2: Table of Changes — 2005/06–2007/08 Service Plan Update Compared to 2006/07–2008/09 Service Plan

2005/06–2007/08 Service Plan Update	2006/07–2008/09 Service Plan
MINISTRY OF LABOUR AND CITIZENS' SERVICES CITIZENS' SERVICES	MINISTRY OF LABOUR AND CITIZENS' SERVICES Vision and Mission defined for Ministry as a whole
Vision To be a leader in connecting citizens, communities and businesses with government services and a valued partner in the delivery of innovative services to the public sector	Vision British Columbia will be a leader in Canada and recognized internationally for excellence in public service delivery
Mission Champion the transformation of government service delivery to respond to the everyday needs of citizens, businesses and the public sector	Mission The mission is two-fold: • Labour will create an employment environment that meets the needs of workers, employers and unions and foster working relationships in safe and healthy workplaces • Citizens' Services will transform public services to make them cost-effective, accessible and responsive to the needs of citizens and business

Labour			
Goal	Objective	Goal	Objective
1. Fair and balanced employment standards that promote mutually beneficial relationships between employees and employers	1.1 Enhanced prevention and early intervention functions of the Employment Standards Branch	1. Laws, regulations and processes that promote productive and mutually beneficial relationships, awareness and satisfaction, and that enable compliance	1.1 Increased client and stakeholder awareness and satisfaction through enhanced prevention and early intervention functions as well as enhanced service orientation
	1.2 Employment standards disputes resolved prior to adjudication		
	1.3 Ensure the quality and consistency of determinations issued by the Employment Standards Branch, thereby reducing the number of decisions overturned by the Employment Standards Tribunal		
	1.4 The Employment Standards Tribunal continues to provide timely, consistent and quality decisions		
2. Promote good relationships in the labour relations community from which productive and competitive workplaces can be developed	2.1 Encourage confidence in the Labour Relations Board	2. Timely and accurate case management and adjudication	2.1 Improve the quality, consistency and timeliness of determinations issued by the Employment Standards Branch
	2.2 Increase number of <i>Labour Relations Code</i> applications that are resolved prior to adjudication		2.2 Ensure timely decisions by administrative tribunals (Labour Relations Board, Employment Standards Tribunal, Workers' Compensation Appeal Tribunal)
	2.3 Increase collective bargaining mediation success rate		
	2.4 Issue decisions in a timely manner		
3. Safe and healthy workplaces and a workers' compensation system that is responsive to the needs of the employees and employers alike	3.1 Better compliance with the <i>Workers Compensation Act</i> and the Occupational Health and Safety Regulation by providing responsive, independent and expert advice, assistance and representation to workers and employers	3. Innovative dispute resolution processes	3.1 Effective and mutually beneficial alternatives to traditional adjudication and dispute resolution through self-help, mediation and alternative dispute resolution
	3.2 Increase efficiency of appeal system		
		4. A corporate culture that supports a client-focused, results-oriented, innovative and knowledgeable team	4.1 The ministry's culture and leadership provide the foundation for high performance

Citizens' Services			
Goal	Objective	Goal	Objective
1. Citizens, businesses and the broader public sector have cost-effective and efficient access to government services and information	1.1 More choices for citizens and businesses in how and when they access government services and information, and for public sector clients in how their services are delivered	1. Positive service experiences for customers and clients	1.1 Increased customer and client satisfaction with: service availability; service usability; and service delivery
	1.2 Cost-effective and efficient service delivery channels		
2. Core government and the broader public sector receive cost-effective and efficient internal management services	2.1 Customer and client satisfaction are maintained	2. Demonstrated leadership in transforming public sector service delivery to add value and be cost-effective	2.1 Predictable and transparent shared services costs
	2.2 Reduced overall shared services costs		2.2 Value for money maximized
3. Citizens, businesses and the broader public sector benefit from the ministry's leadership on cross-government strategic initiatives that drive the transformation of service delivery	3.1 Innovations that enable government-wide co-ordination and efficiency in the delivery of services	3. A robust technology infrastructure providing for secure information management and the emerging needs of customers and clients	2.3 Innovations and process improvements to support government-wide co-ordination and efficiency in the delivery of services
			3.1 Ensure secure information to build and maintain public confidence
4. Government has effective governance for information and its technology infrastructure	3.2 Strengthen information and technology infrastructure processes and practices across government	4. A corporate culture that supports a customer-focused, results-oriented, innovative and knowledgeable team	3.2 Strengthen information and technology infrastructure processes and practices across government
	4.1 Strengthened information and technology infrastructure processes and practices across government		4.1 The ministry's leadership and culture provide the foundation for high performance
5. A customer-focused, results-oriented, innovative, integrated and knowledgeable team	4.2 Secure provision of information and supporting technology infrastructure		
	5.1 The ministry's culture and leadership provide the foundation for high-performance		

Appendix 3: List of Legislation Administered by the Ministry

Labour

Coastal Forest Industry Dispute Settlement Act

Community Services Labour Relations Act

Education Services Collective Agreement Act

Employment Standards Act

Fire and Police Services Collective Bargaining Act

Fire Department Act

Fishing Collective Bargaining Act

Labour Relations Code

Ministry of Labour Act (except provisions re: gas safety, electrical safety, elevating devices, boiler and pressure vessels)

Railway and Ferries Bargaining Assistance Act

Workers Compensation Act (except s. 3 (6))

Citizens' Services

BC OnLine Act

British Columbia Buildings Corporation Act

Document Disposal Act

Electronic Transactions Act

Freedom of Information and Protection of Privacy Act

Legislative Assembly Allowances and Pension Act

Legislative Assembly Management Committee Act

Legislative Assembly Privilege Act

Legislative Library Act

Legislative Procedure Review Act

Ministry of Provincial Secretary and Government Services Act (ss. 1, 2(4), 4)

Personal Information Protection Act

Procurement Services Act

*Public Agency Accommodation Act*¹

Queen's Printer Act

Statistics Act

¹ This Act was brought into force on April 1, 2006





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Message from the Minister and Accountability Statement

It is with pleasure that I introduce the *Ministry of Public Safety and Solicitor General 2005/06 Annual Service Plan Report*. This report provides an update on the ministry's activities and performance during the fiscal year that ended on March 31, 2006.

The ministry's portfolio includes a wide range of public safety programs, such as: law enforcement and corrections; crime prevention and victim services; emergency preparedness, response and recovery; coroners service; driver safety; fire prevention; consumer protection; and liquor and gaming regulation.

Through its programs and services, the ministry continues to work to ensure the safety of all British Columbians. These efforts contribute to a strong foundation for the realization of government's Five Great Goals.

I am proud of the many significant achievements made by the ministry during 2005/06, including: implementing mandatory rehabilitation and ignition interlock system programs to keep drinking drivers off the road; launching a fully integrated strategy under the ministry's Crystal Meth Secretariat to address the growing problem of crystal methamphetamine; strengthening our fight against organized crime and gang violence, and committing an additional \$10 million per year to the Integrated Gang Task Force; establishing the *Civil Forfeiture Act* to ensure that criminals do not profit from their illegal activities; and implementing the Responsible Gambling Strategy to reduce the incidence of problem gambling.

These and our many other achievements are testament to the dedication and professionalism of staff throughout the ministry. I look forward to continuing to work with ministry staff to enhance the safety of all British Columbians.

The *2005/06 Ministry of Public Safety and Solicitor General Annual Service Plan Report* compares the actual results to the expected results identified in the ministry's *2005/06–2007/08 Service Plan Update*. I am accountable for those results reported.

A handwritten signature in black ink, appearing to read 'John Les', written in a cursive style.

Honourable John Les
Minister of Public Safety and Solicitor General

June 30, 2006



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Highlights of the Year

There were many significant achievements throughout the Ministry of Public Safety and Solicitor General during fiscal year 2005/06. Some of these achievements are highlighted below.

Supporting Communities in Increasing Public Safety

- A dedicated R.C.M.P. team is in place to investigate the disappearances and murders of young women on the 724-kilometre section of Highway 16 between Prince George and Prince Rupert, known as the “Highway of Tears.” The ministry also supported a “Highway of Tears” community symposium organized by the Lheidli T’enneh Nation, bringing together First Nation groups, community organizations, provincial government ministers and R.C.M.P. to meet with family members of victims and to develop recommendations for increasing safety along Highway 16.
- The Office of the Fire Commissioner (O.F.C.) undertook reorganization designed to streamline operations and enhance efficiency and service delivery. While the delivery of front-line fire services is a local government responsibility, the province recognizes that in specific areas of fire investigation, inspection, training and public education, the O.F.C. provides critical support. The reorganization was designed to strengthen that support.
- More than \$137 million in government gaming grants was distributed to over 6,000 community organizations that provide important programs and services to British Columbians.
- The ministry continues to support communities in developing crime prevention strategies to prevent youth crime and violence and the sexual exploitation of children and youth.

Enhancing Road and Commuter Safety

- We enhanced road safety across the province by establishing integrated road safety units, expanding the bait car program, and launching a dedicated traffic helicopter to provide aerial support to 17 communities in the Lower Mainland. The helicopter assists police in spotting and tracking dangerous drivers, and reduces the chance of high speed chases that put the public at risk.
- Two new programs were launched aimed at getting impaired drivers off B.C.’s roads. Drunk drivers now have to complete a mandatory rehabilitation program and install an ignition interlock system on their vehicles, both of which are proven and effective ways of keeping drinking drivers off the road.
- The new Greater Vancouver Transportation Authority Police Service (G.V.T.A.P.S.) was established to address public safety along the SkyTrain corridor. The G.V.T.A.P.S. is comprised of 75 designated police constables who have the same powers and authorities as the municipal police to enforce drug laws, execute outstanding warrants and arrest individuals who commit crimes outside a SkyTrain station.

Combating Addiction and Drug-Related Crime

- We directly addressed the growing problem of crystal methamphetamine (meth) addiction by taking steps to monitor and control the ingredients used in making the drug, and launched a multi-million dollar, fully integrated meth strategy under the ministry's Crystal Meth Secretariat. We supported this \$7 million dollar initiative with a series of community forums in key communities across the province.
- The innovative drug treatment court program in Vancouver was extended for another three years. Drug treatment courts are an intensive, court-monitored alternative to jail. Participants follow a structured program of treatment and community service support to reduce their dependence on illegal drugs. By helping non-violent offenders overcome their addictions and improve their social stability, the program reduces the criminal behaviour associated with substance abuse, while helping reduce other court backlogs. The federal and provincial governments share the annual \$1.5 million costs of the program.
- The new B.C. Centre for Social Responsibility opened at the University College of the Fraser Valley. This provincial resource centre develops training and educational opportunities, evaluates programs, services and strategies, and conducts research in the area of social responsibility. This is a government partnership led by the Ministry of Public Safety and Solicitor General and involves the Ministries of Children and Family Development, Health and Community Services. The initiative partners and supports government ministries, provincial and community organizations, law enforcement, academics and education partners, local health authorities and the public.

Fighting Organized Crime and Gang Violence

- R.C.M.P. and municipal police officers and members of the Organized Crime Agency teamed up to form the country's first provincewide organized crime unit. The Combined Forces Special Enforcement Unit (C.F.S.E.U.) is an integrated team of police officers and other government agencies with a mandate to expose, investigate, prosecute and dismantle organized crime. This collaborative approach to fighting organized crime allows for the sharing of intelligence and enforcement resources across jurisdictions.
- The ministry is helping to tackle the difficult problem of gang violence and crime, and recently committed an additional \$10 million per year to B.C.'s Integrated Gang Task Force program.
- We also put in place a law to ensure that criminals, including gang members, do not profit from their illegal activities. The *Civil Forfeiture Act* allows the province to apply through civil law to restrain and have forfeited assets acquired through unlawful activity. Money recovered is paid into a special account and used to compensate crime victims, fund crime prevention programs, and pay for the costs of administering the act.

Fighting Cybercrime and Internet Child Exploitation

- The ministry committed additional resources to two integrated R.C.M.P. units created to respond to the rapidly changing nature of crime. The Integrated Technological Crime Unit (I.T.C.U.) was established in 2002 to investigate computer crimes, such as unauthorized access to computer systems, and to investigate the misuse of digital data and identity

theft. The I.T.C.U. also provides support to other investigations, such as drug trafficking, money laundering and credit card fraud, which often involve computers and electronic organizers. The Integrated Internet Child Exploitation Team (I.I.C.E.) was formed in 2003 to investigate individuals involved in Internet child pornography and the luring of children on the Internet. The I.I.C.E. team also plays a proactive role promoting public awareness about luring and Internet child exploitation.

Supporting Victims of Crime

- The ministry remains committed to providing financial assistance and benefits to victims and others affected by violent crime to offset the financial costs and facilitate recovery from the physical and emotional impacts of crime. In 2005/06, the Crime Victim Assistance Program provided over \$10 million in benefits to victims of crime, their immediate family members and eligible witnesses.
- The ministry continues to provide funding for over 150 Victim Service programs across the province. These programs provide emotional support, information, referrals and practical assistance to victims of crime, their families and communities.

Responding to Emergencies and Disasters

- We supported B.C.'s 45-member Heavy Urban Search and Rescue Team (H.U.S.A.R.), which spent five days in St. Bernard Parish in Louisiana, helping victims of hurricane Katrina. The first trained rescue squad to reach the area, the H.U.S.A.R. team rescued 117 people and provided medical assistance to another 125.
- The disaster funding assistance limit was raised from \$100,000 to \$300,000 to better help eligible homeowners, residential tenants, farms, small businesses and charitable organizations when property is damaged by uninsurable disasters, such as certain kinds of floods and mudslides.

Promoting Responsible Liquor and Gaming Practices

- We continued to improve liquor regulation by targeting enforcement resources on high-risk establishments and on the public safety issues of service to minors, over-service, overcrowding and illicit alcohol. The Liquor Control and Licensing Branch continues to improve the tools it uses to identify high-risk establishments in consultation with local governments, police, schools and licensees.
- We implemented the Responsible Gambling Strategy in order to reduce the incidence of problem gambling and address the harmful impacts for those experiencing gambling problems.
- We also implemented the Illegal Gambling Enforcement Strategy in order to reduce the incidence of illegal gambling and ensure the integrity of legal gambling. A key element of the strategy is a joint operations team involving investigators from the Gaming Policy and Enforcement Branch and the R.C.M.P.

Demonstrating Leadership and Innovation

- The R.C.M.P. and academics at Simon Fraser University and the University College of Fraser Valley signed a three-party information-sharing agreement to team up to share the latest research on how best to combat crime. This is the first agreement of its kind in Canada. Using computer technology and expert analysis, criminologists at both campuses will research the root causes of crime, crime “hot spots” and repeat offenders. They will also work with their counterparts around the world, and will provide police with information about crime reduction techniques in other jurisdictions to help identify new strategies for B.C. At the same time, the R.C.M.P. will provide researchers with their own police data to further their research.
- The diligence of the B.C. Coroners Service was recognized in the examination of the child death review process conducted by Ted Hughes, Q.C., and government invested an additional \$1 million to address ongoing child death review responsibilities.
- The management team of the Fraser Regional Corrections Centre in Maple Ridge received the Premier’s Award in innovation and excellence in B.C. public service programs. As a result of restructuring, the centre became the only male sentenced facility in the Lower Mainland. This meant overhauling operations to admit sentenced inmates classified to open, medium and secure custody and to also accommodate a population increase of 130. The centre’s management team successfully transformed operations to meet the demand, including transforming staffing and labour relations, improving correctional practice and program delivery, maximizing use of facility space, and enhancing relationships with local communities.
- We have taken steps to involve First Nations in establishing policing priorities, goals and objectives for their communities. In February 2006, First Nations communities participated in a conference held in Kelowna to examine how First Nations may play a more effective role in governing their policing services. From this conference, a First Nations Steering Committee was established to improve First Nations police governance structures and processes on reserves.

Purpose, Vision, Mission and Values

Purpose of Ministry

The Ministry of Public Safety and Solicitor General works to maintain and enhance public safety across the province. The portfolio of the ministry includes: corrections; coroners service; law enforcement; crime prevention; victim services; hazard mitigation, emergency management and response; road safety; fire prevention, life safety¹ and property protection; liquor and gaming regulation; consumer protection; and film classification. The Solicitor General is also responsible for three Crown corporations and agencies: the Liquor Distribution Branch; the B.C. Lottery Corporation; and the Insurance Corporation of British Columbia (I.C.B.C.).²

Vision, Mission and Values

Vision

Our communities and homes are safe places.

Mission

The mission of the Ministry of Public Safety and Solicitor General is to ensure the security and economic vitality of communities through effective policing, corrections, liquor and gaming control and other protective and regulatory programs.

Values

The ministry shares with all government organizations a commitment to affordability, efficiency, accountability, innovation and reform, and a healthy, supportive workplace. In addition, the ministry strives to deliver its unique services in accordance with these values:

- Respect for the law
- Integration of services
- Community participation
- Risk management
- Self-regulation
- Balance of consumer protection with economic vitality

¹ The term "life safety" refers to building codes, provisions and practices designed to minimize the risk of human endangerment from fire and similar emergencies.

² Crown corporations publish their own service plans and annual reports, separate from those of the ministry and according to guidelines developed by the Crown Agencies Secretariat.

Strategic Context

Many factors impact the ministry's ability to achieve its goals and objectives. Some place the ministry in an advantageous position to build on past successes while others present new challenges and opportunities to develop innovative approaches to public safety.

Challenges and Risks

Crime trends impact the work of the ministry. While the overall crime rate for British Columbia remained basically stable from 2003 to 2004 (124.9 and 125.2 crimes per 1,000 population respectively), the crime rate has increased in the province from the 113.8 crimes per 1,000 population reported in 2000.

The nature of crime is also changing. Organized crime is increasingly crossing community, provincial and national boundaries and expanding into all forms of criminal activity, including human trafficking, theft, fraud and illegal gambling. Crime profiles are also changing with technological advances, and police are seeing new types of crimes, such as Internet luring, identity theft and Internet fraud. Gang violence is also increasing, particularly in the Lower Mainland, where gun violence is a growing concern and an increased number of home invasions have been reported.

The number of large-scale investigations in the province has grown and is consuming increasing proportions of available resources. While crime rates are indicative of police workloads, they cannot reflect the time and resources dedicated to investigating complex criminal activities, such as serial offenders or organized crime groups. Recent high-profile investigations, such as the Missing Women's Task Force, illustrate the scale and intricacy of many violent crime investigations.

Managing multi-needs offenders has become more challenging, with increases in the proportion of violent, high-risk, and multi-needs offenders under corrections supervision. The changing profile of offenders has contributed to greater use of remand and bail supervision. These trends have resource implications and affect staff training, security, program development and delivery, and offender management. Most notably, consolidation of adult custody facilities has resulted in housing offenders with different risk classifications and multiple needs in the same institutions, presenting challenges for effective custodial supervision. Managing multi-needs offenders also requires close collaboration with justice and social service partners, such as police, addictions services, and forensic psychiatric services.

Substance abuse and addiction are of concern, with alcohol and both legal and illegal drugs linked to preventable health and social problems, including criminality. Crystal meth use and production is a serious issue in British Columbia and elsewhere. It is highly addictive, inexpensive and easy to obtain. Severe physical and mental health problems are associated with its use and there are serious environmental and public safety risks related to its production.

Growth in illegal gambling has been stimulated by the growing popularity and availability of games in the media, on the Internet and in the community. New technology and the ability to operate from anywhere in the world over the Internet makes online gambling very difficult to regulate. Programs and services are increasingly necessary to promote awareness of responsible gambling practices as well as to address illegal gambling.

Natural hazards continue to require strong, coordinated mitigation and response efforts. Unprecedented fires impacting population centres (interface fires), landslides, severe weather, floods, ice jams and drought challenge communities and the province with regard to hazard mitigation and response and recovery capabilities and costs.

Human resource challenges are increasing for the ministry. Faced with the pressures of an aging workforce, the ministry is in competition with other agencies for new staff with demonstrated strong performance. Time and resources are needed to expand existing competencies and to recruit and train new staff.

Strengths and Opportunities

Continued application of new technologies and innovative strategies are key ministry strengths, as illustrated by the following examples.

- The Police Records Information Management Environment (P.R.I.M.E.), an online data-sharing system providing up-to-the-minute information about criminals and crimes, is improving law enforcement and enhancing officer and public safety.
- British Columbia's justice information system (J.U.S.T.I.N.) provides a single integrated database comprising almost every aspect of criminal cases, and an interface between J.U.S.T.I.N. and P.R.I.M.E. further increases case-tracking efficiency.
- The Policing and Community Safety Branch is continuing with the integration of services and creation of specialized police units to improve the effectiveness and efficiency of policing.
- Opportunities exist to further enhance emergency response and community safety through partnerships among local government emergency programs, local police, fire and ambulance services, and public safety lifeline volunteers.
- Police Services Division continues to work with police departments throughout the province to promote initiatives to enhance road safety, including strengthened enforcement and innovative use of technology.
- The Corrections Branch embraces evidence-based planning and decision-making. Empirically-founded practices inform branch program and policy development, and staff recruitment and training. B.C. Corrections is internationally recognized for its leadership in risk-based case management and has hosted representatives from other nations wishing to learn about correctional practices.
- The Corrections Branch has updated its operational system, using new technology that allows for more efficient, timely and accurate data collection, integrates and enhances offender case management, amalgamates several internal systems and interfaces with external systems. C.O.R.N.E.T. is a web-based, integrated client management system used by the Corrections Branch and the Youth Justice Division of the Ministry of Children

and Family Development (M.C.F.D.). It provides improved information sharing between Corrections staff, M.C.F.D. Youth Justice Staff, and other stakeholders.

- Government is addressing the resource challenges of the B.C. Coroners Service. An additional \$1 million was invested to address ongoing child death review responsibilities. Reporting structures were enhanced and new staff hired to address increasing caseload volumes. As well, recommendations from the examination of the child death review process in B.C., conducted by Ted Hughes, Q.C., are being used to strengthen the B.C. Coroners Service.
- The B.C. Coroners Service is now well on its way to implementing a new electronic reporting system linked to a robust database and putting technology in the hands of coroners in the field. Implementation of the new system, known as T.O.S.C.A., will further enhance the B.C. Coroners Service's ability to respond and report out in a timely manner.
- The Office of the Superintendent of Motor Vehicles employs an effective case management system utilizing document imaging and other sophisticated technologies.
- The Liquor Control and Licensing Branch has implemented new policies requiring applicants to consent to greater scrutiny in areas such as financial sources to reduce criminality within licensed establishments. Existing licensees who have known associations with criminal organizations, including outlaw motorcycle gangs, or are involved in criminal activities are also subject to investigations leading to possible licence revocation.
- The Liquor Control and Licensing Branch is implementing online access to services that will be available 24 hours a day, seven days a week. This initiative has been undertaken in partnership with the OneStop Business Registry Office and other partners within the B.C. government, municipalities and self-governing bodies.

Linkages and partnerships with other ministries, jurisdictions, levels of government and outside institutions continue to enhance the efficiency and effectiveness of the ministry. The following examples are illustrative:

- British Columbia reached agreement and partnered with the federal government in a national action plan to address concerns about the bulk importation of precursors used to make crystal meth, the release of repeat sex offenders, gang violence, and conditional sentences for serious and violent offences.
- A Congress on Public Safety was held in December 2005, bringing together provincial ministers, M.L.A.s, mayors, Aboriginal leaders, fire, ambulance, health and emergency management, police, R.C.M.P., crime prevention associations, business, multi-cultural associations and non-profit organizations, and the academic/educational and justice communities. It was an opportunity to work together to identify ways of further addressing public safety challenges. Community-based workshops on public safety issues are being held through 2006 along with a Congress on Women's Safety. As well, a second Congress on Public Safety will be held in early 2007.
- The Crystal Meth Secretariat, established in October 2005 and led by the ministry, is directing the development of a framework for integrating efforts to target the use and production of crystal meth in B.C.

- The ministry has teamed up with municipal police, firefighters and electrical inspectors to discourage marijuana grow ops in residential neighbourhoods and to improve local safety by strict enforcement of the *Safety Standards Act*.
- Partnerships with Simon Fraser University, the University College of the Fraser Valley, the Institute for Canadian Urban Research Studies, and the Centre for Addictions Research of B.C. have strengthened the research capacity of the ministry and assisted in developing effective policy around public safety issues. In addition, the B.C. Centre for Social Responsibility was launched in November 2005 to promote addiction prevention and awareness of problems related to addictive behaviours.
- The ministry has an excellent working partnership with police and law enforcement agencies in the province, demonstrated through the effective coordination of agencies such as the B.C. Association of Municipal Chiefs of Police.
- Victim Services and Community Programs Division has partnered with a variety of government, justice, health and community resources to help meet the unique needs of victims (specifically children and Aboriginal victims) and improve service delivery throughout the province. Examples of agencies partnered with include the Vancouver Police Department, Family Services of Greater Vancouver, and Pacific Community Resources Society.
- In partnership with the Ministries of Health and Employment and Income Assistance, the Corrections Branch has undertaken innovative research on mentally disordered offenders in the justice system. This research forwards a better understanding of this population's needs and resource requirements and will inform future programs and practices.
- Cooperation at local, regional, executive and interagency levels has resulted in high levels of satisfaction with emergency services in B.C. The ministry is continuing to strengthen partnerships with municipalities to enhance emergency preparedness throughout the province.
- Based on commitment to share programs and best practices, the Office of the Fire Commissioner strives to establish and strengthen partnerships with local governments, other organizations and other jurisdictions.
- An important element of the Illegal Gambling Enforcement Strategy is the Integrated Illegal Gaming Enforcement Team (I.I.G.E.T.). The team of 15 branch investigators and 12 R.C.M.P. officers work together throughout the province to address illegal gambling issues and enforce the gaming provision of the *Gaming Control Act* and *Criminal Code of Canada*.
- The ministry has partnered with I.C.B.C. to introduce an enhanced road safety enforcement initiative. Under the management of Police Services Division, the R.C.M.P. and independent police departments have come together to form Integrated Road Safety Units which use proactive policing methods and innovative technology to enhance traffic enforcement throughout the province.

Highly-skilled and dedicated staff continues to be a key asset in the ministry.

The ministry-wide Learning and Leading Program encourages teamwork, innovation, communication and opportunities to learn new skills. The program was launched to both strengthen the organization and support the people who work within it.

Service Delivery and Core Business Areas

Service Delivery

The Ministry of Public Safety and Solicitor General has a central role in maintaining and enhancing public safety in every community across the province.

All ministry services, which are summarized below, are provided directly or through contracted professionals and agencies. Legislation for which the ministry is responsible is listed in Appendix B, and identified at <http://www.legis.gov.bc.ca/procs/allacts/pssg.htm>

Core Business Areas

Within the ministry, nine core business areas work together to fulfill the ministry's public safety mandate. The structure and function of these business areas are described below.

Corrections

In 2005/06, net operating expenditures for Corrections were \$184.919 million and full-time equivalent employees (F.T.E.s) numbered 1,726.

The branch protects communities through appropriate supervision and case management of adult offenders and accused persons. The safe management and control of offenders is based on assessment of their risk to re-offend and need for rehabilitation. Through risk/needs assessments, the branch determines suitable levels of supervision and programming to promote positive change in offender thinking and behaviour.

To function effectively and to protect the public, the Corrections Branch works closely with the police, the courts, Crown Counsel, victim services, the Immigration and Refugee Board of Canada, the B.C. Board of Parole, Correctional Service of Canada, the Ministry of Health, Aboriginal justice organizations and community service agencies.

The branch is comprised of two divisions — Adult Custody, and Community Corrections and Corporate Programs.

Adult Custody Division

The Adult Custody Division is responsible for supervision and case management of individuals held for trial or sentenced to jail for less than two years. The division also supervises offenders awaiting transfer to federal prison, federally sentenced offenders transferred to provincial jurisdictions, and individuals detained under the federal *Immigration and Refugee Protection Act*. In addition to supervising adult offenders, the division provides a variety of work and core programs aimed at reducing the risk of re-offending and enabling successful reintegration into the community (e.g., Substance Abuse Management and Violence Prevention Programs).

Community Corrections and Corporate Programs Division

This division is responsible for all individuals ordered to bail supervision and community sentences, as well as those paroled from a provincial correctional centre. The division also supervises individuals on peace bonds and those subject to alternative measures.³

Community Corrections provides a range of core programs for offenders to mitigate the likelihood of re-offending. The division also manages contracted programs for Aboriginal programs and relationship violence treatment.

B.C. Coroners Service⁴

In 2005/06, net operating expenditures for the B.C. Coroners Service were \$10.921 million and F.T.E.s numbered 64.

The B.C. Coroners Service is responsible for the investigation of all unnatural, sudden and unexpected deaths in the province, and for ensuring that the relevant facts are made a matter of public record, either through the completion of a Judgment of Inquiry (quasi-judicial report) or the holding of an Inquest (quasi-judicial public hearing). One of the agency's most important responsibilities is the identification and advancement of recommendations to individuals, groups, agencies and others aimed at prevention of death in the future under similar circumstances. The agency maintains a major database and conducts ongoing surveillance on common causes of death aimed at identifying problems and trends. When such issues are identified, the agency conducts additional reviews and studies aimed at establishing effective and workable preventative measures.

The B.C. Coroners Service is also responsible for conducting reviews of all child deaths occurring within the province. This requires appropriate liaison with agencies such as the Ministry of Children and Family Development and the Child and Youth Officer for British Columbia, among others. The B.C. Coroners Service also conducts special reviews on issues affecting the prevention of child deaths and on child safety more broadly.

In completing its responsibilities, the B.C. Coroners Service issues warrants authorizing the conduct of autopsies, toxicology testing and additional procedures, such as microscopy, where they are warranted. Coroners have legislated seizure and inspection powers when and where warranted in order to gather the facts surrounding a death. The agency is also responsible for body removal and transportation. In the event of a mass disaster involving significant loss of life, the agency is responsible for the identification, recovery, examination and repatriation of human remains, including establishing a temporary morgue facility and connecting with families of the victims.

³ Alternative measures programming provides an opportunity for the client to demonstrate personal responsibility for an offence by imposing on the accused an agreed upon consequence for the behaviour. The conditions under which alternative measures may be used to deal with persons alleged to have committed an offence are established in Section 717 of the *Criminal Code of Canada*.

⁴ The B.C. Coroners Service was established as a separate core business area as of April 1, 2006. In the *Ministry of Public Safety and Solicitor General Service Plan Update, September 2005*, the B.C. Coroners Service was included as part of the Policing and Community Safety Branch.

Policing and Community Safety

In 2005/06, net operating expenditures for Policing and Community Safety were \$316.579 million and F.T.E.s numbered 143.

The branch contributes to the ministry's public safety mandate through the Police Services Division and the Victim Services and Community Programs Division.

Police Services Division

Police Services Division superintends law enforcement functions in British Columbia, oversees the private security industry and provides protective public safety programs by:

- ensuring adequate and effective levels of policing enforcement throughout B.C., including in small, rural and First Nations communities;
- developing and administering policing policy and ensuring central oversight of all policing;
- administering the R.C.M.P. provincial police force contract, and overseeing the organization of all provincial and municipal R.C.M.P. forces;
- supporting the Provincial Police Service and other police agencies, including the Combined Forces Special Enforcement Unit (formerly known as the Organized Crime Agency of B.C.), the Greater Vancouver Transportation Authority Police Service, and the Police Academy at the Justice Institute of British Columbia;
- developing and administering policy for enhanced road safety law enforcement and managing the creation of specialized integrated units for strengthened enforcement;
- promoting the gathering and dissemination of best practices in policing amongst police stakeholders;
- collecting, monitoring, analyzing and reporting on provincial crime and police data;
- conducting inspections and audits for municipal police force services using provincial policing standards;
- licensing and regulating the security industry, including security guards, private investigators and other security industry personnel;
- conducting criminal record checks on individuals who work with children, as defined under the *Criminal Records Review Act*, and administering a related process for determination of risk; and,
- maintaining the Protection Order Registry to support the enforcement of civil and criminal protection orders.

Victim Services and Community Programs Division

Victim Services and Community Programs Division develops and delivers programs to help British Columbians build and maintain safe communities, and supports victims of crime and their families by:

- providing leadership, advice, training and expertise on victim and community safety issues, including violence against women, children, youth and other vulnerable people;

- establishing and maintaining partnerships with organizations, communities and government to ensure coordinated and comprehensive services;
- funding police-based and community-based victim service programs that provide information, assistance and support to victims and others impacted by violent crime;
- funding a 24-hour, provincewide telephone service (VictimLINK 1 800 563-0808) which provides information and referral services to all victims of crime, and immediate crisis support to victims of family and sexual violence;
- providing funding to community and youth organizations, local governments, school districts and police departments to support projects that enhance public safety and local crime prevention efforts (Safe Streets and Safe Schools Fund);
- providing operational funding to key community justice and crime prevention organizations to support services to communities throughout British Columbia;
- providing funding to support the development of volunteer-based community accountability programs that embrace the principles of restorative justice;
- enhancing high-risk victim safety by providing safety planning, including notification of offender release information;
- overseeing the *Victims of Crime Act*, which promotes a fair and accessible justice system for victims of crime;
- administering the *Crime Victim Assistance Act* and Program, which provides financial benefits and assistance to victims and others impacted by violent crime;
- supporting and overseeing the Youth Against Violence Line, an automated telephone service (1 800 680-4264) and e-mail link that provide safe, confidential means of preventing and reporting incidents of youth violence and crime and seeking assistance from local police;
- administering the annual Solicitor General Community Safety and Crime Prevention Awards which recognize individuals, groups and programs that have made outstanding contributions to crime prevention and community safety; and,
- on behalf of the Assistant Deputy Ministers' Committee on Prostitution and Sexual Exploitation of Youth, providing project funding to assist communities in developing local initiatives to address sexual exploitation of youth and prostitution-related issues.

Provincial Emergency Program

In 2005/06, net operating expenditures for the Provincial Emergency Program (P.E.P.) were \$7.193 million and F.T.E.s numbered 67.

P.E.P. minimizes the loss of life and economic impact of disasters and emergencies, such as floods, interface fires, dangerous goods spills, pandemic influenza, earthquakes, landslides, severe storms, and lost persons or aircraft by:

- providing overall coordination and leadership of the provincial emergency management structure during response to and recovery from emergencies and disasters;
- maintaining an immediate activation capability for an integrated response to and recovery from emergencies and disasters;

- recruiting, training and maintaining the Temporary Emergency Assignment Management System (T.E.A.M.S.), a resource pool of provincial staff experienced in managing emergency operations;
- providing leadership, subject matter expertise and emergency management training in support of local governments, non-government agencies and individuals and families in preparing for and responding to emergencies and disasters;
- maintaining and supporting the AdventureSmart outdoor safety program and five public safety lifeline volunteer programs (i.e., Emergency Social Services, providing short-term assistance to the public; Road Rescue, providing extrication of persons trapped in vehicles; Search and Rescue, locating and assisting lost persons; P.E.P. Air Services, locating lost aircraft; and Emergency Communications, providing emergency radio communication);
- managing the provision of Disaster Financial Assistance (D.F.A.) to support a recovery program for individuals and families, local governments and businesses;
- providing a natural hazards mitigation program for risk reduction; and,
- administering the *Emergency Program Act* and regulations, and the Disaster Financial Assistance Arrangements (D.F.A.A.) and emergency management assistance agreements.

Office of the Superintendent of Motor Vehicles

In 2005/06, net operating expenditures for the Office of the Superintendent of Motor Vehicles (O.S.M.V.) were \$5.772 million and F.T.E.s numbered 62.

O.S.M.V. regulates drivers to help ensure the safe and responsible operation of motor vehicles in British Columbia.

O.S.M.V. is committed to promoting B.C. road safety and works in partnership with other organizations, both public and private sector, to achieve this. Specifically, the Superintendent of Motor Vehicles:

- promotes and regulates the fitness and safety of drivers in British Columbia in the interests of public safety;
- identifies and intervenes with bad drivers in order to effect an improvement in driving behaviour;
- identifies and assesses drivers to determine if they are physically, cognitively and medically fit to drive;
- may enforce driver interventions that reduce or prohibit driving privileges if the standards are not met, or may even direct I.C.B.C. to cancel a driver's licence; and,
- provides an independent avenue of appeal for certain I.C.B.C. licensing decisions, conducts reviews of police decisions to impose administrative driving prohibitions and vehicle impoundments and conducts show cause hearings related to actions proposed by I.C.B.C.

Office of the Fire Commissioner

In 2005/06, net operating expenditures for the Office of the Fire Commissioner were \$2.351 million and F.T.E.s numbered 21.

The primary focus of the office is the promotion of fire prevention, life safety and property protection programs. The office derives its authority from the *Fire Services Act* and the *B.C. Fire Code* and works closely with local governments and fire services organizations to achieve its objectives. Some of the specific functions the office fulfills include:

- providing fire code interpretations;
- developing public education programs and fire safety materials;
- providing evaluation and best practice information to support local fire departments;
- assisting in the coordination of firefighter training;
- undertaking major fire investigations; and,
- supporting provincial response to major wildfire emergencies.

Gaming Policy and Enforcement

In 2005/06, net operating expenditures for Gaming Policy and Enforcement were \$15.147 million and F.T.E.s numbered 112.

The branch regulates all gaming in British Columbia, ensures the integrity of people and equipment involved in the gaming industry and investigates allegations of wrongdoing. This includes regulatory oversight of the B.C. Lottery Corporation (which conducts and manages lotteries, casinos and commercial bingo halls), all gaming service providers and gaming workers, B.C.'s horse racing industry and licensed gaming events. The branch also manages responsible gambling initiatives and the distribution of gaming funds received by organizations.

Policy, Legislation and Standards Division

The Policy, Legislation and Standards Division promotes responsible gambling practices by developing and maintaining a rigorous regulatory environment for gaming and horse racing that balances economic benefits with public safety. The division provides advice regarding the legislation, policies and standards that govern gaming. The division also coordinates administrative review hearings as required and is responsible for delivering the Responsible Gambling Strategy, which includes the Problem Gambling Program.

Licensing and Grants Division

The Licensing and Grants Division issues gaming licences permitting eligible community organizations to hold fundraising events, such as ticket raffles, independent bingo games, wheels of fortune and social occasion casinos. The division also allocates government gaming revenue to eligible community organizations through the Direct Access and Bingo Hall Affiliation grant programs.

Racing Division

The Racing Division develops and implements policies to regulate horse racing to ensure its integrity, and monitors and enforces the *Rules of Thoroughbred and Standardbred Racing*. The division oversees all races taking place in the province, monitors the activities of track officials and other employees, ensures the safety and security of race track grounds, and investigates and adjudicates matters arising from race meetings. In addition, the division licenses participants in the horse racing industry.

Registration Division

The Registration Division ensures the integrity of organizations, employees and equipment in the gaming industry by conducting mandatory background checks of potential employees and service providers and registering them to be involved in the industry. The division also approves and certifies all gaming equipment. The division maintains a register of gaming service providers and workers.

Audit and Compliance Division

The Audit and Compliance Division manages a comprehensive audit strategy for commercial gaming, including horse racing, to ensure compliance with all applicable legislation, regulations, policies and directives. The division conducts regular audits of gaming activity in the province, assesses compliance reviews conducted by the B.C. Lottery Corporation and reviews community organizations' use of funds received through gaming licences and through the Direct Access and Bingo Hall Affiliation grant programs.

Investigation Division

This division investigates all complaints and allegations of criminal or regulatory wrongdoing relating to gaming and horse racing, and is responsible for the province's Illegal Gambling Enforcement Strategy. This strategy includes a team of branch investigators and R.C.M.P. officers who work with other law enforcement agencies on gaming-related investigations. All investigators in this division are Special Provincial Constables.

Liquor Control and Licensing

In 2005/06, net operating expenditures for Liquor Control and Licensing were \$0 and F.T.E.s numbered 98.⁵

The branch regulates and sets policy for the manufacture and resale of liquor in licensed establishments in order to improve the safety of communities by reducing harm caused by liquor misuse.

⁵ This core business area is self-financing, with its operating expenses recovered from liquor licensing applications and fees. For financial reporting, operating expenditures are shown as zero.

Policy, Planning and Communications Division

The Policy, Planning and Communications Division leads the branch in strategic planning processes and in the development of legislative, regulatory and policy change. The division consults with federal/provincial/territorial stakeholder groups, including industry associations, police and local governments. In addition, the division is responsible for responding to media, legislative and public inquiries related to the mandate and activities of the branch.

Licensing and Local Government Liaison Division

This division analyses, approves and processes licence applications for the manufacture, sale and service of liquor in the province. The division handles all aspects of issuing, amending, transferring and renewing licences for licensed establishments, licensee retail stores, wineries and manufacturers. During the approval process, the division works closely with local government staff and elected officials to obtain community input for licensing decisions. The division also issues permits to purchase and store grain alcohol, regulates the sale of medicinal and cooking alcohols, and reviews requests for exemptions to Special Occasion Licences.

Compliance and Enforcement Division

This division inspects, investigates and educates licensees to ensure they comply with British Columbia's liquor laws and policies, and the terms and conditions of their licence. The division takes enforcement action when necessary and works in partnership with police and local government agencies to monitor compliance and target resources on high-risk licensees.

Executive and Support Services

In 2005/06, net operating expenditures for Executive and Support Services were \$6.126 million and F.T.E.s numbered 52.

Along with the Solicitor General's Office, the Deputy Solicitor General's Office and the Corporate Policy and Planning Office, this core business area includes the B.C. Board of Parole, the Civil Forfeiture Program, Consumer Services, the Film Classification Office, and the Crystal Meth Secretariat.

The B.C. Board of Parole contributes to public safety by determining if eligible offenders in provincial correctional facilities, who do not pose undue risk, will be permitted to serve their full sentences under supervision in the community with conditions of release set by the Board.

The Civil Forfeiture Program enables government to obtain court orders to recover proceeds and assets acquired by or used in unlawful activity. Money recovered is paid into a special account and used to compensate eligible victims, fund crime prevention programs, and pay for costs of administering the *Civil Forfeiture Act*.

Consumer Services develops consumer protection policy and oversees the B.C. Business Practices and Consumer Protection Authority which enforces consumer protection law in the province and investigates deceptive telemarketers.

The Film Classification Office safeguards public interests by regulating the public exhibition, rental and distribution of films, video games and videos in British Columbia and is responsible for:

- administering the *Motion Picture Act* and regulations;
- classifying films into age-appropriate ratings and providing advisories on film content to assist the public in making informed viewing choices;
- assessing adult videos for content that is prohibited under the *Motion Picture Act* or the *Criminal Code of Canada*;
- licensing film and video distributors, video retailers and theatres;
- enforcing the Act and regulations and removing unapproved or prohibited adult videos from the marketplace, and taking action to ensure the restricted sale of mature video games;
- assisting the police and Canada Customs in the review of seized adult videos and the prosecution of cases resulting from these investigations; and,
- educating the public on the film classification system through a comprehensive Internet site and school outreach program.⁶

The Crystal Meth Secretariat was established within the ministry to coordinate and facilitate the cross-government implementation of key initiatives to combat the production and use of crystal methamphetamine, including:

- increased targeted treatment for crystal meth addicts;
- a seed grant program to help communities fight crystal meth;
- a broad-based public awareness campaign to educate parents, youth and others;
- school-based awareness initiatives;
- Minister's forums to inform communities on crystal meth; and,
- tools for police and prosecutors for taking enforcement action against clandestine drug lab operators.

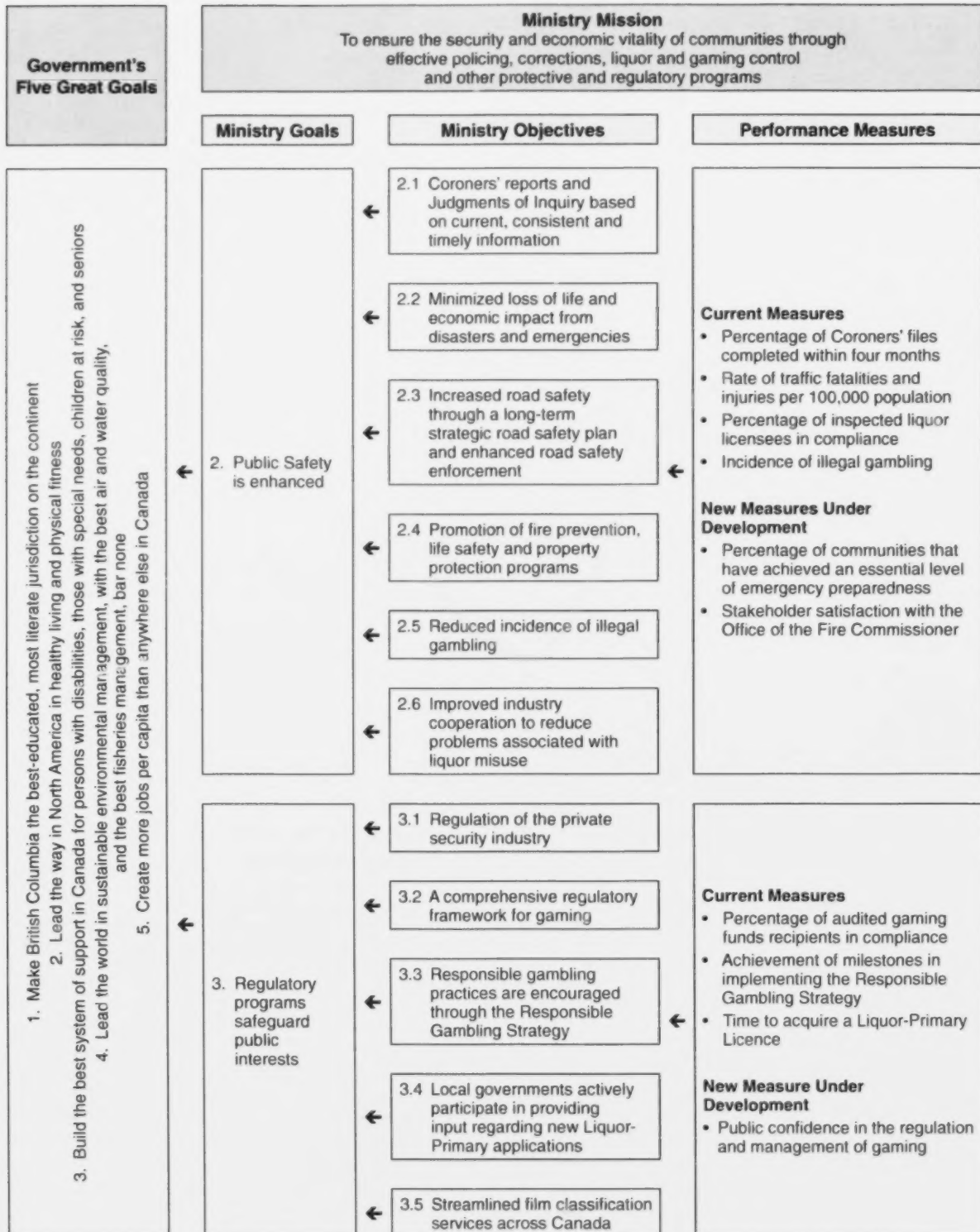
The following ministries participate on a steering committee and working groups and form an integral part of the crystal meth strategy: Aboriginal Relations and Reconciliation; Attorney General; Children and Family Development; Community Services; Education; Employment and Income Assistance; Environment; Forests and Range; and Health.

⁶ See <http://www.bcfilmclass.com>

Report on Performance

Performance Plan Summary Table

Government's Five Great Goals	Ministry Mission To ensure the security and economic vitality of communities through effective policing, corrections, liquor and gaming control and other protective and regulatory programs		
	Ministry Goals	Ministry Objectives	Performance Measures
1. Make British Columbia the best-educated, most literate jurisdiction on the continent 2. Lead the way in North America in healthy living and physical fitness 3. Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk, and seniors 4. Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none 5. Create more jobs per capita than anywhere else in Canada	1. Citizens and communities are protected from crime	1.1 Offenders are supervised and managed based on court orders and their risk to re-offend 1.2 Programs are provided to address factors associated with re-offending behaviour 1.3 Adequate levels of police services 1.4 A common records management system for all police agencies 1.5 Effective protective programs for vulnerable adults, youth and children 1.6 Communities have crime prevention and restorative justice programs 1.7 Victims of crime are provided with timely information, assistance and support to reduce the impact of crime	Current Measures - Percentage of offenders who do not re-offend for two years following Corrections supervision - Percentage of enrolled offenders successfully completing core programs - Number of Provincial Police Service members - Number of First Nations Policing Program members - Percentage of population covered by police agencies using P.R.I.M.E. - Average time to adjudicate claims for financial assistance from victims and others impacted by violent crime - Percentage of protection orders entered within 24 hours of receipt - Number of crime prevention, community safety, sexual exploitation and community accountability programs and projects funded New Measure Under Development - Victimization rate



Goals, Objectives, Key Strategies and Performance Measures

The goals and objectives discussed in this section are consistent with the ministry's vision of safe communities and homes throughout British Columbia.

Brief descriptions are provided of key activities and initiatives the ministry has undertaken to achieve its goals and objectives, and progress is tracked by a series of performance measures. For each performance measure, the most current available data are provided along with trend data for the three preceding fiscal years.

The ministry has made significant changes to its performance measures since publication of the *Ministry of Public Safety and Solicitor General 2005/06–2007/08 Service Plan Update, September 2005*. Some measures have been discontinued either because they focused on internal operational matters with little public relevance, or because they were deemed inadequate for tracking progress toward goals and objectives. These measures are reported on in Appendix A.

As well, new measures have been identified as we continue our efforts to develop meaningful indicators of the long-term client and societal outcomes and changes in conditions that indicate goal achievement. These new measures are in early stages of development, requiring that data sources be finalized and baselines established.

It must be noted that measuring the performance of British Columbia's justice and regulatory systems is a complex enterprise. Long-term outcome measures, such as victimization rates and recidivism rates, for example, are generally affected by many different individual and socio-economic factors and are therefore not under the exclusive control of any one ministry. Rather, they are multifaceted outcomes involving all components of the justice system as well as many other aspects of government, such as health, education and social services, as well as factors that are external to government control.

Also, the performance measures identified here represent only a few critical aspects of performance. No single measure taken in isolation can reveal enough information to provide a reliable and accurate evaluation of justice and regulatory systems. All measures should be considered together when assessing progress toward goals and objectives.

Goal 1: Citizens and communities are protected from crime

Protecting citizens and communities from crime is a central commitment of the Ministry of Public Safety and Solicitor General, a commitment supported by Corrections and by Policing and Community Safety.

Objectives and strategies employed by these branches are identified below, followed by the performance measures used to assess progress toward goal achievement.

Core Business Area: Corrections

Objective 1.1: Offenders are supervised and managed based on court orders and their risk to re-offend

A key objective of the ministry is to ensure that offenders are supervised and managed based on their risk to re-offend. To effectively and efficiently supervise offenders while they are under court orders, and to achieve reductions in re-offending behaviour over the long term, it is critical to understand the risk an offender poses to society and how that risk can best be addressed. More than 20 years of correctional research have resulted in the development of standardized, validated risk/needs assessment tools that can reliably provide this information. Corrections policy allows a sixty-day period during which risk/needs assessments must be completed.

Objective 1.2: Programs are provided to address factors associated with re-offending behaviour

A significant body of correctional research has confirmed that offender case management and rehabilitative programming can mitigate harm, interrupt offending cycles, and reduce re-offending behaviour.⁷ Case management plans are developed based on risk/needs assessments conducted and serve to guide program interventions on an individual basis. The branch develops and delivers correctional (core) programming in accordance with correctional research.⁸ Core programs are designed to address risk factors known to contribute to criminality (e.g., substance abuse) and focus on the acquisition of cognitive skills necessary to bring about behavioural change. They are delivered by trained staff, and through contracted services, to offenders who pose higher risks for re-offending.

⁷ For example, in February 2006, a research study to determine whether or not the Violence Prevention Program was effective in reducing re-offending behaviour was concluded. The program was developed by the Corrections Branch in 1998 based on state-of-the-art findings in correctional theory and programming. The results of the study demonstrated that violence prevention programming is effective in reducing re-offending between 16 per cent and 30 per cent, depending on the risk to re-offend presented by the offender. The program works most effectively for offenders who pose a medium to high risk for re-offending, which supports the principles for effective correctional programming.

⁸ Core programs currently provided are Cognitive Skills, Educational Upgrading, Relapse Prevention for Sex Offenders, Respectful Relationships, Substance Abuse Management, and Violence Prevention. Core programs developed for incarcerated female offenders include Emotions Management, Relapse Prevention, Relationship Skills and Substance Abuse Management. A new Living Skills program is also being developed.

Core programs are available in adult custody facilities and for offenders serving community sentences. Their delivery is based on the following principles for effective correctional programming:

- Programming is most effective among offenders who are assessed as being at a high risk for recidivism. Applying programming to low-risk offenders at best has no impact, and at worst can have negative effects.
- Correctional programming must target risk factors (criminogenic needs) that, when addressed, are associated with reductions in re-offending.
- Effective correctional programming should be delivered appropriately and consistently in a highly structured manner that meets the particular learning characteristics of the offender population.

Core Business Area: Policing and Community Safety

Objective 1.3: Adequate levels of police services

Adequate levels of police services are required to protect citizens and communities from crime and to respond to the changing nature of crime. Key strategies to meet this objective are to restructure police financing, support the integration of existing police services and increase the number of officers in the Provincial Police Service. These initiatives ensure that police services are delivered in the most effective and efficient way possible, avoiding duplication and yielding economies of scale. Another strategy has been to implement new policing initiatives in such areas as supporting organized crime prosecutions, responding to high-tech crime and combating Internet-based child exploitation.

The ministry also continues efforts to negotiate new Community Tripartite (policing) Agreements (C.T.A.s) with First Nations and the federal government.⁹ Additional C.T.A.s are required to ensure that First Nations communities have police service levels equivalent to those of similar non-First Nations communities. Under these agreements, First Nations receive dedicated police members to work with their communities. Best efforts are made for these positions to be staffed by Aboriginal officers.

Objective 1.4: A common records management system for all police agencies

The ministry continues implementation of the Police Records Information Management Environment (P.R.I.M.E.), an online data-sharing system for all police agencies in B.C. that provides up-to-the-minute information about criminals and crimes, improving law enforcement across the province. P.R.I.M.E. provides an integrated information management system, with instant access to a database that includes criminal case records, images (photos, mug shots, documents and fingerprints), investigation notes, electronic messages, calendar events and dangerous goods data.

⁹ New C.T.A.s are dependent upon both the province and federal governments securing appropriate funding.

Objective 1.5: Effective protective programs for vulnerable adults, youth and children

Another key objective is the maintenance of protective programs to enhance public safety, such as the Protection Order Registry, a confidential database containing all civil and criminal protection orders issued in British Columbia.¹⁰ The registry contributes to the reduction of violence against vulnerable adults, youth and children through support of the enforcement of civil and criminal protection orders.

Conducting criminal record checks on individuals who work with children is another key strategy to help protect children. Criminal record checks are mandatory under the *Criminal Records Review Act* for anyone who works with children or who has unsupervised access to children in the ordinary course of employment, or in the practice of an occupation, and who is employed by, licensed by or receives operating funds from the provincial government.

Objective 1.6: Communities have crime prevention and restorative justice programs

The ministry promotes the Crime Prevention through Social Development approach, going beyond traditional responses to crime that focus on sentencing and incarceration by focusing instead on eliminating the root causes of crime.

Research indicates that communities can become safer if they actively engage in programs designed to reduce the incidence of crime and repair the harm caused by criminal behaviour. The ministry therefore continues to provide funding and support to community-based crime prevention and restorative justice programs, and to work with stakeholders to promote awareness of and collaborative approaches to community safety and crime prevention.

Objective 1.7: Victims of crime are provided with timely information, assistance and support to reduce the impact of crime

To reduce the impact of crime, victims of crime require a range of supports and services as they participate in the justice system. Key strategies include: offering information, referrals and practical support to victims of crime and their families through victim service programs; administering the *Crime Victim Assistance Act* and Program to ensure that victims have access to financial assistance and other benefits; notifying impacted victims of end-of-sentence release of identified offenders; providing training and support to victim service workers; and increasing public awareness of the services available.

¹⁰ A protection order is an order containing a condition (e.g., no contact) that affords safety and security to a specified person or persons.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Percentage of offenders who do not re-offend for two years following Corrections supervision	70%	70%	71%	65% ¹	67%	Target exceeded
Why the measure is important: The ministry tracks this measure to indicate the overall effectiveness of the justice system in deterring and rehabilitating offenders. However, criminal behaviour is a highly complex phenomenon involving many different individual and socio-economic factors, and this measure is not directly attributable to any one component of the criminal justice system.						
What the results mean: The results demonstrate that more offenders remain free of subsequent sentences during the two-year tracking period than were estimated. The data reflect results up to November 2005.						
The data: The data for this measure are drawn from the Corrections Branch operational system (C.O.R.N.E.T.) and are very reliable.						

¹ A reduced target of 65 per cent was established for 2005/06 in keeping with a number of factors that may affect recidivism, including crime rates, a hardening offender profile, a strengthened police force, and reductions in Corrections operational capacity.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Percentage of enrolled offenders successfully completing core programs	76%	71%	70%	75%	71%	Target not met
Why the measure is important: This measure provides information on the short-term outcome of core programs. It is critical for offenders to attend and complete the programming designed to assist them in addressing their criminal behaviour.						
What the results mean: Although the target for 2005/06 was not met, the Corrections Branch succeeded in increasing successful completions of core programs by one per cent over fiscal year 2004/05 performance. The branch will undertake further examination of the reasons underlying the findings.						
The data: The data for this measure are drawn from C.O.R.N.E.T. and are very reliable. Programs excluded from calculation of results are Breaking Barriers and the sex offender maintenance programs. The former is excluded because it is no longer deemed 'core', the latter because data for these programs are unreliable at this time.						

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Number of Provincial Police Service members	1,481	1,531	1,561	1,665	1,668	Target exceeded
Why the measure is important: This is a measure of Provincial Force police strength.						
What the results mean: The results demonstrate that the Provincial Force strength has increased over the reporting years. This trend is expected to continue over the next two or three years. It should be noted that while the figures reported represent the number of R.C.M.P. members providing provincial police services in each fiscal year, they do not represent the entire complement of staff employed with the Provincial Force. For example, the reported figures exclude support staff and independent police seconded to the Provincial Force to work on specialized units such as Organized Crime, Integrated Gang Task Force, Traffic Safety, etc.						
The data: The Police Service Division receives Provincial Force police strength data from R.C.M.P. E Division. The data are accurate and reliable.						

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Number of First Nations Policing Program members	71	73	67	93	99	Target exceeded
Why the measure is important: This is a measure of First Nations police strength in the province.						
What the results mean: The results demonstrate that, with the exception of fiscal year 2004/05, First Nations police strength has increased over the reporting years. There are currently 42 First Nations policing agreements in place in the province. The results reported do not include the Sta'atl'imx Tribal Police Service, nor the Kitsoo Public Safety Department. These two units have 12 police officers and service 11 communities in the province.						
The data: First Nations police strength data are obtained from the R.C.M.P. E Division. The data are accurate and reliable.						

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Percentage of population covered by police agencies using P.R.I.M.E.	19%	24%	32%	40.5%	33.3%	Target not met
Why the measure is important: This measure tracks progress toward full implementation of P.R.I.M.E., linking all law enforcement agencies in the province.						
What the results mean: P.R.I.M.E. has been implemented by all municipal agencies in B.C. and by several R.C.M.P. detachments. Implementation by the remaining R.C.M.P. detachments has been delayed due to technical and federal funding processes. Final implementation will be proceeding as scheduled. It is anticipated that P.R.I.M.E. will be fully implemented provincially by December 2007.						
The data: Results for this measure are derived from P.R.I.M.E. implementation reports and municipal population statistics. The data are accurate and reliable.						

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Average time to adjudicate claims for financial assistance from victims and others impacted by violent crime	12–14 months	6 months	9 months	6 months [adjusted target: 9 months]	9 months	Target not met [adjusted target met]
Why the measure is important: This measure monitors efficiency in administration of the <i>Crime Victim Assistance Act</i> to ensure that victims have timely access to financial assistance and other benefits.						
What the results mean: Since publication of the <i>Ministry of Public Safety and Solicitor General 2005/06–2007/08 Service Plan Update, September 2005</i> , the target for this measure was adjusted to nine months from six months. This adjustment was made because the Crime Victim Assistance Program received more applications for victim financial assistance/benefits than originally anticipated, leading to a backlog of claims awaiting adjudication. This backlog has now been eliminated and the ministry is working to further reduce adjudication times.						
The data: Estimated timelines are derived from the E.L.V.I.S. database and manual records, taking into account the dates claims were received and completed, and the cases that remain outstanding. The data are accurate and reliable.						

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Percentage of protection orders entered within 24 hours of receipt	99%	99%	99%	98%	99%	Target exceeded
Why the measure is important: This measure indicates the efficiency of the delivery of protective programs.						
What the results mean: Results show that the Protection Order Registry is being efficiently maintained by the ministry. This is significant as the goal of the registry is to contribute to the reduction of violence against vulnerable children, youth and adults through support of the enforcement of civil and criminal protection orders.						
The target for 2005/06 had been set slightly lower than the prior year actuals in anticipation of a possible short-term drop in performance resulting from significant changes made to the Protection Order Database; however, the 99% rate was maintained.						
The data: The data for this measure are derived from the Protection Order Database and are accurate and reliable.						

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Number of crime prevention, community safety, sexual exploitation and community accountability programs and projects funded	275	351	361	331	333	Target exceeded
Why the measure is important: Since publication of the <i>Ministry of Public Safety and Solicitor General Service Plan Update, September 2005</i> , this measure has been revised to include Community Accountability Programs as well as crime prevention, community safety and sexual exploitation projects. ¹ Continued support of these programs is important to reduce the incidence of crime and to repair the harm caused by criminal behaviour.						
What the results mean: The results demonstrate that the ministry met its commitment and leveraged federal funds to support crime prevention and restorative justice programs and projects. The reduced target of 331 was established for 2005/06 because there were a number of larger crime prevention projects being funded and, because the total amount of funding did not change, that resulted in fewer projects being funded overall.						
The data: Results for this measure are based on internal records and reports received from funding partners, such as the National Crime Prevention Centre and the B.C. Crime Prevention Association. The data are accurate and reliable.						

¹ Community Accountability Programs are community-based restorative justice programs designed to divert low-risk offenders from the traditional justice system, while holding offenders accountable for their actions and repairing relationships harmed by criminal behaviour.

In addition to the above measures, the ministry is undertaking tracking victimization rates as an indicator of the safety of individuals in their homes and communities. Derived from victimization surveys, victimization rates are estimates of levels of violent and property victimization based on personal accounts of criminal victimization incidents, whether reported to the police or not. It is anticipated that the ministry will begin reporting on this measure in fiscal year 2006/07.¹¹

Goal 2: Public safety is enhanced

A second goal of the ministry is enhanced public safety through protective and regulatory programs delivered by the B.C. Coroners Service, the Provincial Emergency Program, the Policing and Community Safety Branch, the Office of the Superintendent of Motor Vehicles, the Office of the Fire Commissioner, the Gaming Policy and Enforcement Branch and the Liquor Control and Licensing Branch.

¹¹ Victimization rates are conventionally reported as the number of victimizations per 1,000 persons or per 1,000 households. Using rates rather than counts takes into account the size of the population at risk for victimization. This allows for accurate comparisons of groups of differing sizes as well as changes in populations over time. Ignoring these differences in populations by examining counts alone can lead to erroneous conclusions about changes in vulnerability.

Core Business Area: B.C. Coroners Service

Objective 2.1: Coroners' reports and Judgments of Inquiry based on current, consistent and timely information

To most effectively improve public safety and assist the public, coroners' cases must be completed in a timely manner and be based on current and consistent information. Key strategies include: hiring new staff to address increasing caseload volumes; enhancing reporting structures; redesigning the Coroners Case Management System (T.O.S.C.A.); providing ongoing training to all coroners; providing coroners with electronic access to field investigation protocols; and conducting a feasibility study on development of a Centre for Excellence for Forensic Sciences.

Core Business Area: Provincial Emergency Program

Objective 2.2: Minimized loss of life and economic impact from disasters and emergencies

Key strategies to reduce harm caused by disasters and emergencies include: providing leadership to the provincial emergency structure during emergencies and disasters; improving capacity to prepare for, respond to and recover from emergencies and disasters, including implementation of the Filmon recommendations resulting from the 'Firestorm 2003' review; and assisting local governments and First Nations communities in preparing for emergencies and disasters through technical support, training and education.

Core Business Areas: Policing and Community Safety Branch and the Office of the Superintendent of Motor Vehicles

Objective 2.3: Increased road safety through a long-term strategic road safety plan and enhanced road safety enforcement

British Columbia endorses the Road Safety Vision 2010, a national plan developed under the auspices of the Canadian Council of Motor Transport Administrators and supported by all levels of government. The ministry has engaged partners and stakeholders, including I.C.B.C., the Ministry of Transportation, and the R.C.M.P., in developing a long-term road safety plan for the province, which will include a broad range of initiatives to assist in achieving provincial and national targets. The road safety plan will form the basis of the provincial government's efforts to reduce serious injury and fatality collisions.

In addition, the ministry entered into a five-year agreement with I.C.B.C. in 2003 to fund the Enhanced Road Safety Enforcement Initiative, which includes Integrated Road Safety Units, the Intersection Safety Camera Program and Automated Licence Plate Recognition.

Core Business Area: Office of the Fire Commissioner

Objective 2.4: Promotion of fire prevention, life safety and property protection programs

Key to achieving this objective is the development and maintenance of strong working relationships with local governments, fire service organizations and other jurisdictions. The Office of the Fire Commissioner has re-committed to enhancing its partnership relations with key stakeholder groups to identify and fill a number of service gaps, to achieve higher levels of coordination between local fire departments, and to inform amendments to the *Fire Services Act*.¹²

Core Business Area: Gaming Policy and Enforcement

Objective 2.5: Reduced incidence of illegal gambling

A key strategy in reducing the incidence of illegal gambling is fully implementing the Illegal Gambling Enforcement Strategy, including:

- determining the extent of illegal gambling in the province;
- enhancing working relationships with the R.C.M.P. and other law enforcement agencies to better identify and prosecute offenders;
- creating a coordinated, strategic public education campaign on licence requirements, types of permitted gaming, and consequences of illegal gambling; and,
- implementing a policy framework for Internet gaming.

Core Business Area: Liquor Control and Licensing

Objective 2.6: Improved industry cooperation to reduce problems associated with liquor misuse

Liquor industry members have a legal responsibility to minimize harm to their customers and to any individual or community affected by the consumption of liquor in their establishments. Key strategies designed to improve industry cooperation to reduce problems associated with liquor misuse include: creating tools to identify high-risk establishments in consultation with local governments, police, schools and licensees; targeting resources on high-risk establishments and focusing inspections and investigations on service to minors, over-service, overcrowding and illicit alcohol; strengthening server training components related to avoidance of service to minors and over-service; and streamlining enforcement processes.

¹² Key stakeholders of the Office of the Fire Commissioner include the Union of B.C. Municipalities and the Fire Service Government Liaison Group, which represents: Fire Chiefs Association of British Columbia; Fire Prevention Officers Association of British Columbia; Volunteer Fire Fighters Association of British Columbia; British Columbia Training Officers Association; and British Columbia Professional Fire Fighters Association.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Percentage of Coroners' files completed within four months	65%	70%	69%	80%	70% (estimate)	Target not met
Why the measure is important: This measure indicates the timeliness of Coroners' investigations. To most effectively improve public safety, these investigations must be completed in a timely manner.						
What the results mean: The B.C. Coroners Service endeavors to complete at least 80 per cent of investigations within a four-month timeframe. Currently, they are completing approximately 70 per cent of investigations within this timeframe. With the considerable increase in its staff complement, the B.C. Coroners Service is committed to meeting future investigation targets.						
The data: The source of data for this measure is the Coroners Case Management System. Results are calculated by measuring the duration from the date the case coroner is notified to the date on which the file is closed at the Regional Office.						
Data accuracy cannot be confirmed at this time as the B.C. Coroners Service recently implemented a new electronic database and reporting system and refinements are still under way.						

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Rate of traffic fatalities and injuries per 100,000 population	11.3 fatalities; 708.6 injuries	10.6 fatalities; 739.8 injuries	10.2 fatalities; 694.3 injuries	Not established ¹	To be determined	Not applicable
Why the measure is important: A key measure of road user safety is the rate of traffic fatalities and injuries per 100,000 population. As well as resulting in loss of life, motor vehicle collisions have a significant impact on society in terms of quality of life, placing demands on medical services, insurance, police and municipal services, incurring legal and court costs, and affecting income and productivity.						
What the results mean: Results are intended to demonstrate trends in road user safety in the province over time. Results for 2005 will not be available until fall 2006 when all police accident forms have been submitted to I.C.B.C. and the data have been verified against Coroner's data where required.						
The data: Data for the measure are obtained from I.C.B.C. and are based on police-reported accidents. I.C.B.C. data are reported by calendar year, rather than by fiscal year.						
I.C.B.C. collision data are collected by police and individual reports may be subject to errors, depending on how accurately the officer completes the collision report form. As policing priorities do not allow them to attend all accidents, I.C.B.C. estimates that collision report forms may not include up to 20 per cent of injured victims.						

¹ As this measure has been newly developed, a target had not been established for 2005.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Percentage of inspected liquor licensees in compliance ¹	79%	81%	93%	94%	94%	Target met
Why the measure is important: The level of voluntary compliance indicates the level at which liquor licensees understand and are willing to cooperate with the liquor regulatory framework. An increase in voluntary compliance in such areas as avoidance of over-service and service to minors may also indicate that liquor misuse is decreasing, leading to increased public safety for British Columbians.						
What the results mean: Results reveal a consistently high level of understanding and compliance with liquor regulations and licence terms and conditions by industry. A high compliance rate also likely indicates good relationships and effective communication between licensees and the ministry.						
The data: The data for this measure are drawn from the branch's P.O.S.S.E. database and are based on records of inspections and contravention notices issued. The data are accurate and reliable.						

¹ For increased clarity, the wording of this measure has been revised since publication of the *Ministry of Public Safety and Solicitor General 2005/06 – 2007/08 Service Plan Update, September 2005*.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Incidence of illegal gambling	Not available	Not available	Not available	Establish baseline	469 complaints received	Target met
Why the measure is important: Each report of real or suspected illegal gambling results in an investigation, with the objective of protecting the integrity of gaming and enhancing public safety.						
What the results mean: Year-over-year reductions in these numbers will provide an indication of the success of the Illegal Gambling Strategy, the goal of which is to reduce illegal gambling in the province over the long term.						
The data: The ministry has fully tracked reported incidents of illegal gambling in the province since late 2004, concurrent with the startup of the Integrated Illegal Gaming Enforcement Team. These data do not measure the total amount of illegal gambling in the province, as there is no way to measure unreported (hence unknown) illegal gambling that takes place.						

In addition to the above performance measures, the ministry is currently developing two new measures linked to the goal of enhanced public safety.

The ministry is undertaking monitoring the percentage of communities that have achieved an essential level of emergency preparedness. Community preparedness is a significant outcome supported by the Provincial Emergency Program and an indicator of public safety in the province.¹³

¹³ While this measure remains under development, it can now be reported that 98 per cent of local authorities in the province (municipalities and regional districts) have the services of an Emergency Program Coordinator. Some communities have a Deputy and others are currently hiring. In future, we can expect this number to fluctuate depending upon continued financial and training support of these programs.

The ministry is also developing a measure of stakeholder satisfaction with the Office of the Fire Commissioner. The office provides advice, information and services to over 400 fire departments, and it is critical to measure its effectiveness in supporting those departments, their communities and the thousands of fire fighters throughout the province.

It is anticipated that the ministry will begin reporting on these measures in fiscal year 2006/07.

Goal 3: Regulatory programs safeguard public interests

The ministry also strives to ensure that public interests are safeguarded through regulatory programs delivered through Policing and Community Safety, Gaming Policy and Enforcement, Liquor Control and Licensing, and the Film Classification Office.

Core Business Area: Policing and Community Safety

Objective 3.1: Regulation of the private security industry

Key strategies linked to the objective of effectively regulating the private security industry include conducting inspections of private security agencies, and continuing consultation on enhanced legislation governing the private security industry.

While a large segment of the industry is covered under the current *Private Investigators and Security Agencies Act*, there are areas that remain unregulated. The ministry is reviewing the legislation to determine how the protection of public interests can best be enhanced.

Core Business Area: Gaming Policy and Enforcement

Objective 3.2: A comprehensive regulatory framework for gaming

It is in the public interest that gaming be conducted within a strong regulatory framework that balances economic activity with the responsible management and delivery of gaming. Key strategies linked to that objective include:

- evaluating grant and licensing policies, including the effectiveness of community organizations' access to gaming revenue;
- developing and implementing a coordinated, proactive strategy to oversee B.C. Lottery Corporation's Internet gaming system, including equipment standards, registration and audit features;
- continuing to develop, implement and enforce public interest standards;
- fully implementing an audit and compliance framework that includes allocating resources based on sound risk management principles, monitoring B.C. Lottery Corporation's compliance with provincial requirements regarding the conduct and management of commercial gaming, auditing licensed gaming events and use of gaming proceeds, and sharing information and delivering educational programs to clients to increase compliance with gaming legislation and policies; and,

- further developing the branch's Access to Information Policy to enhance public accountability and reporting.

Objective 3.3: Responsible gambling practices are encouraged through the Responsible Gambling Strategy

The continued development and implementation of the Responsible Gambling Strategy is designed to expand on current programs and services to reduce the harmful impacts of excessive gambling and encourage responsible gambling practices and healthy choices.

Key strategies include:

- increasing emphasis and efforts in prevention, research and evaluation, and enhancing client-centred delivery of provincewide problem gambling services;
- fully developing the Partnership for Responsible Gambling by coordinating activities of local governments, service providers and other major stakeholders, and reviewing service delivery and contract management of provincewide problem gambling treatment and prevention services; and,
- increasing public awareness of the responsible gambling initiatives and treatment services available to those with a gambling problem, including developing and implementing a school-based educational resource.

Core Business Area: Liquor Control and Licensing

Objective 3.4: Local governments actively participate in providing input regarding new Liquor-Primary applications

The ministry works with communities to ensure that new Liquor-Primary licences issued reflect public interests. Key strategies include: providing local governments/First Nations with community health indicators to facilitate more effective assessment of licence applications; setting terms and conditions for hours, size and entertainment that are consistent with community standards; and streamlining licensing processes. The branch continues to look at ways to streamline licensing processes to allow resources to be focused on providing local governments/First Nations with the information they need to effectively review and provide input on licensing applications.

Core Business Area: Executive and Support Services

Objective 3.5: Streamlined film classification services across Canada

Key strategies linked to the objective of streamlined film classification services include: recommending standard classification for presentation to provincial ministers; working with other provinces and the industry to develop enabling legislation and/or regulations to recognize common classification standards and enable consolidation of services; and developing contracts to consolidate services and eliminate overlap.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Percentage of audited gaming funds recipients in compliance	Data not available	70%	76%	80%	80%	Target met

Why the measure is important: Audits of organizations receiving gaming funds promote voluntary compliance, the proper use of these proceeds and the financial accountability of the organizations benefiting from them.

What the results mean: Results indicate that the Charitable Gaming Compliance Enhancement Program is working as intended, resulting in a significant increase in compliance in its first two years of operation.

The data: The ministry has tracked community organization audits since April 2003, monitoring the number of audits conducted and instances of non-compliance. The data are accurate and reliable.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Achievement of milestones in implementing the Responsible Gambling Strategy	Full program review undertaken	Responsible Gambling Strategy delivery framework developed and initiated; Advertising and marketing standards implemented; Responsible Gambling Website launched	Operational plan developed; Problem gambling media campaign undertaken; Social and economic impact of gambling research undertaken; Responsible Gambling Standards drafted	Service providers and municipalities collaborate in Partnership for Responsible Gambling; ¹ Media campaign promoting awareness of Responsible Gambling Services	Partial implementation of Partnership for Responsible Gambling (work is ongoing through 2006/07); Targeted youth awareness media campaign completed	Target met

Why the measure is important: The ministry is committed to educating the public on responsible gambling initiatives, as well as to informing problem gamblers, and those affected by problem gambling, of the programs and services available to them.

What the results mean: Results indicate successful collaboration with municipalities and service providers in implementing several projects in 2005/06. The youth-focused media campaign increased awareness of problem gambling services across British Columbia. Work on new and multi-year projects continues.

The data: Milestones in program implementation are tracked using branch project records. The data are accurate and reliable.

¹ Initiatives include: Responsible Gambling Information Centres at two Lower Mainland casinos; development of a youth resource for the City of Richmond and service providers; Lower Mainland Social/Economic Casino Impact Study; and Appropriate Response Training for gaming workers.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Time to acquire a Liquor-Primary licence	5 months	6.5 months	5.9 months	5 months	5.2 months	Target not met
Why the measure is important: The time to acquire a Liquor-Primary licence is tracked to indicate the ministry's capacity to serve applicants. However, there are factors beyond the ministry's control that influence the time spent to issue a licence, such as the complexity of the application and the turnaround time required for requesting and receiving additional documents and information from applicants and other sources.						
What the results mean: The results indicate that Liquor-Primary processing times have been steadily decreasing since 2003/04 and that steps taken to streamline licensing processes are having the desired effects. Although the average processing time target established for 2005/06 was not met, this was primarily due to a significant increase in the number of applications from existing Liquor-Primary establishments to relocate to a new address. These applications go through a similar process to new applications and take staff time away from new applications. In addition, there has also been an increase in the number of requests from licensees for privileges not permitted by policy. These have to be assessed to determine whether they should be approved.						
The data: The source of data for this measure is the P.O.S.S.E. database which tracks each step of the licensing process. The data are accurate and reliable.						
Licensing time is the total in-branch time measured from when an application is deemed complete to when the licence is issued. Targets and results do not include applications where applicant suitability issues have been identified and additional investigation time is required.						

In addition to the above performance measures, the ministry is undertaking research to assess public confidence in the regulation and management of gaming. A high degree of public confidence will indicate that the gaming industry is operating in compliance with provincial legislation and policies, and that the ministry's activities in this area effectively meet citizens' expectations.

Data for this measure will be collected by the ministry through a survey of British Columbians. It is anticipated that the ministry will begin reporting on this measure in fiscal year 2006/07.

Deregulation

The ministry continues to support the government initiative to cut red tape and reduce the regulatory burden. In fiscal year 2005/06, the ministry focused on the quality of regulations, and was attentive to the criteria set out in the Regulatory Reform Policy. The ministry also decreased the number of regulatory requirements by three per cent, surpassing the target of a zero per cent increase previously established for the year.

Report on Resources 2005/06

The following Resource Summary presents expenditures and resources for 2005/06 by core business area. In addition to the core business areas already discussed in this report, several other accounts are included to make the Report on Resources consistent with the Public Accounts.

2005/06 Resource Summary by Core Business Areas

	Estimated ¹	Other Authorizations ²	Total Estimated	Actual	Variance (actual minus total estimated)
Operating Expenses (\$000)					
Corrections	181,048	3,900 ³	184,948	184,919	(29) ⁴
Policing and Community Safety⁵	281,846	44,300 ⁶	326,146	327,500	1,354 ⁷
Provincial Emergency Program	6,096		6,096	7,193	1,097 ⁸
Office of the Superintendent of Motor Vehicles	8,223		8,223	5,772	(2,451) ⁹
Office of the Fire Commissioner	2,294		2,294	2,351	57 ¹⁰
Gaming Policy and Enforcement	14,606		14,606	15,147	541 ¹¹
Liquor Control and Licensing	1		1	0 ¹²	(1)
Executive and Support Services¹³	6,108	653 ¹⁴	6,761	6,126	(635) ¹⁵
Emergency Program Act¹⁶	15,628	14,000 ¹⁷	29,628	27,006	(2,622) ¹⁸
Statutory Services¹⁹	8,890	(542) ²⁰	8,348	7,768	(580) ²¹
Adjustment			0	(6,181)	(6,181) ²²
Total	524,740	62,311	587,051	577,601	(9,450)

	Estimated ¹	Other Authorizations ²	Total Estimated	Actual	Variance (actual minus total estimated)
Full-time Equivalents (Direct F.T.E.s)					
Corrections	1,796		1,796	1,726	(70) ²³
Policing and Community Safety	205		205	207	2
Provincial Emergency Program	73		73	67	(6) ²⁴
Office of the Superintendent of Motor Vehicles	66		66	62	(4)
Office of the Fire Commissioner	25		25	21	(4)
Gaming Policy and Enforcement	116		116	112	(4)
Liquor Control and Licensing	104		104	98	(6) ²⁵
Executive and Support Services	62		62	52	(10) ²⁶
Emergency Program Act	0		0	2	2
Total	2,447		2,447	2,347	(100)

	Estimated ¹	Other Authorizations ²	Total Estimated	Actual	Variance (actual minus total estimated)
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)					
Corrections	2,776		2,776	2,933	157
Policing and Community Safety	1,214		1,214	872	(342) ²⁷
Provincial Emergency Program	0		0	76	76
Office of the Superintendent of Motor Vehicles	494		494	214	(280) ²⁸
Office of the Fire Commissioner	250		250	98	(152)
Gaming Policy and Enforcement	370		370	3	(367) ²⁹
Liquor Control and Licensing	1,150		1,150	583	(567) ³⁰
Executive and Support Services	250		250	39	(211) ³¹
Statutory Services	93		93	24	(69)
Adjustment	0		0	(430)	(430) ³²
Total	6,597		6,597	4,412	(2,185)
Other Financing Transactions (\$000)					
Gaming Policy and Enforcement					
Receipts	456		456	389	(67)
Disbursements					
Net Cash Source (Requirements)					
Total Receipts	456		456	389	(67)
Total Disbursements					
Total Net Cash Source (Requirements)	456		456	389	(67)

¹ The "Estimated" amount corresponds to the *Estimates* as presented to the Legislative Assembly on September 14, 2005.

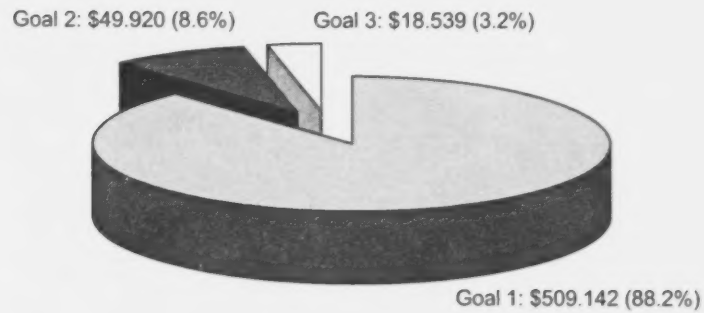
² "Other Authorizations" include additional allocations under Supplementary Estimates, Statutory Appropriations, and *Contingencies (All Ministries) and New Programs*.

³ Other Authorizations of \$3,900,000 is from *Contingencies (All Ministries) and New Programs*, and is due to higher inmate count and related costs.

⁴ Favourable variance of \$28,596 was the result of minor program savings.

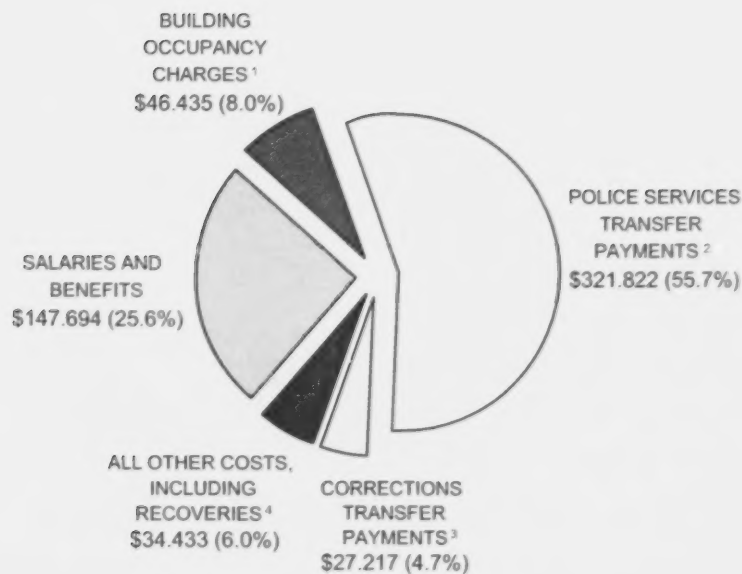
- ⁵ In 2005/06, Policing and Community Safety included the B.C. Coroners Service. The B.C. Coroners Service was established as a separate core business area as of April 1, 2006.
- ⁶ Other Authorizations of \$44,300,000 is from *Contingencies (All Ministries) and New Programs* and includes \$2,300,000 (Police Services), \$1,000,000 (B.C. Coroners Service), and \$41,000,000 (Victim Services and Community Programs).
- ⁷ Unfavourable variance of \$1,353,875 is primarily due to a \$1,100,000 Police Services grant payment to PRIMECorp, and \$257,765 increase in B.C. Coroners Service autopsy and body transport costs.
- ⁸ Unfavourable variance of \$1,096,684 is primarily due to Filmon recommendations and costs for Tsunami Integrated Preparedness.
- ⁹ Favourable variance of \$2,451,164 is primarily due to a delay in the Driver Fitness Assessment Program and lower-than-anticipated costs in the Responsible Driver Program.
- ¹⁰ Unfavourable variance of \$56,832 is due to minor program costs.
- ¹¹ Unfavourable variance of \$540,799 is due to an increase in clients seeking problem gambling counseling services and the need for additional contracted counselors in various communities.
- ¹² This core business area is self-financing, with its operating expenses recovered from liquor licensing applications and fees. For financial reporting, operating expenses are shown as zero.
- ¹³ This business area consists of the offices of the Minister and Deputy Minister, the Corporate Policy and Planning Office, and various agencies, boards and commissions, including salaries, benefits and allowances and operating expenditures.
- ¹⁴ Other Authorizations of \$653,264 is from *Contingencies (All Ministries) and New Programs*, due to an increase in employee benefit costs.
- ¹⁵ Favourable variance of \$635,247 is primarily due to savings in the Minister's Office and the Corporate Policy and Planning Office.
- ¹⁶ The *Emergency Program Act* provides for response to and recovery from emergencies and disasters, and for hazard mitigation initiatives.
- ¹⁷ Other Authorizations of \$14,000,000 is from *Contingencies (All Ministries) and New Programs*, due primarily to completion of prior year event disaster recovery work.
- ¹⁸ Favourable variance of \$2,621,885 is primarily due to excess Contingencies funding for recovery costs of some 2003–2006 disaster events.
- ¹⁹ Statutory Services encompasses the Forfeited Crime Proceeds Fund Special Account, the Inmate Work Program Special Account, and the *Victims of Crime Act* Special Account.
- ²⁰ Inter-account transfer of \$542,471 to Inmate Work Program Special Account to eliminate cross-ministry transactions in the Inmate Work Program.
- ²¹ Favourable variance of \$579,678 is primarily due to reduced activity in the Inmate Work Program Special Account.
- ²² Adjustment of prior year's accrual is due to a reversal of estimated liabilities under the *Emergency Program Act*.
- ²³ Favourable variance of 70 F.T.E.s is due to unfunded F.T.E.s in the budget.
- ²⁴ Favourable variance of 6 F.T.E.s is due to a delay in hiring, however, by year end the program was fully staffed at 73.
- ²⁵ Favourable variance of 6 F.T.E.s is due to unfunded F.T.E.s in the budget.
- ²⁶ Favourable variance of 10 F.T.E.s is due to unallocated F.T.E.s.
- ²⁷ Favourable variance of \$342,290 is primarily due to a delay in a B.C. Coroners Service systems development project.
- ²⁸ Favourable variance of \$280,125 is primarily due to a delay in a systems development project.
- ²⁹ Favourable variance of \$366,970 is primarily due to a delay in systems development and a cancelled systems project.
- ³⁰ Favourable variance of \$567,443 is primarily due to a delay in systems development projects.
- ³¹ Favourable variance of \$211,380 is primarily due to a managed reduction in spending.
- ³² Adjustment related to program transfer of Commercial Vehicle Safety and Enforcement to the Ministry of Transportation and transfer of the Residential Tenancy Office to the Ministry of Forests and Range in September, 2005.

2005/06 Resource Allocation by Service Plan Goals
Total = \$577.601
(millions)



- Goal 1: Citizens and communities are protected from crime
- Goal 2: Public safety is enhanced
- Goal 3: Regulatory programs safeguard public interests

Expenditures for 2005/06 by Expenditure Type
Total = \$577.601
(millions)



¹ Cost of space occupied by the ministry, including correctional facilities.

² Includes R.C.M.P. policing costs in the province.

³ Includes costs related to correctional facilities and probation services.

⁴ All remaining costs, such as asset amortization, contracted expenditures and transfers to external parties, less payments received from the federal government and other parties external to the ministry for various program costs.

Appendix A: Discontinued Performance Measures

The performance measures reported here are measures that the ministry has discontinued tracking for purposes of the ministry's service plans and annual reports. Measures are discontinued and new measures developed in the ministry's ongoing efforts to improve on its performance management systems.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Percentage of risk/needs assessments completed	88%	88%	87%	95%	87%	Target not met

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Number of new policing initiatives and integration projects	4 projects initiated	Total of 9 projects initiated and 4 completed	Total of 12 projects initiated and 6 completed	Total of 16 projects initiated and 9 completed	Total of 16 projects initiated and 9 completed	Target met

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Number of business days for criminal record checks to be completed	Not available	Not available	7 business days in 95% of cases	9 business days in 95% of cases	9 business days in 95% of cases	Target met

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Total number of Community Accountability Program start-up grants awarded since program implementation	76	89	97	Not established	98	Not applicable

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Percentage increase in the number of victims, family members and others who receive victim services	Not available	Not available	Not available	Not established	Not available	Not applicable

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Number of Temporary Emergency Assignment Management System members ready for deployment	120	110	120	120	120	Target met

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Achievement in milestones in developing and implementing an inter-agency road safety plan	Initial planning commences	Planning continued with internal consultations	Draft framework completed; Stakeholder input received and reviewed	Plan adopted	Draft terms of reference developed; consultations continued	Target not met

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Number of Local Assistants to the Fire Commissioner receiving training during the year	Not available	Not available	300	500	500 (estimate) ¹	Target met

¹ An actual for this measure is not available as not all training provided to LAFCs is delivered by the Office of the Fire Commissioner.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Number of partnership projects established by the Office of the Fire Commissioner with local governments and other jurisdictions and organizations	Not available	Not available	10	15	15	Target met

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Time to reach a liquor license enforcement decision or waiver	171 days	81 days ¹	76 days ²	90 days	88 days	Target exceeded

¹ Prior to 2003/04, this measure was based on the average time it took to provide a written hearing decision following the initial Notice of Enforcement Action. The measure was then subsequently revised to include waivers to more accurately reflect the enforcement process. This change significantly affected the result for 2003/04, as Notices of Enforcement Action leading to waivers are generally much quicker to conclude than are those leading to hearing decisions.

² The actual for 2004/05 varied from the estimate of 90 days largely due to ongoing contract management efforts to ensure that performance targets established for adjudicators are met; however, subsequent year targets were not revised as they remained challenging for the branch to meet due to external factors.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Number of security industry inspections	Not available	Not available	625	600	757	Target exceeded

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Percentage of gaming funds recipients audited	Not available	12%	11% [584 audits]	9% [508 audits]	10% [580 audits]	Target exceeded

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Percentage of local governments/ First Nations providing input regarding new liquor-primary applications	Not available	Not available	93% ¹	80%	83%	Target exceeded

¹ The actual for 2004/05 exceeded the target of 75 per cent, indicating that the ministry's relationship with local governments/ First Nations in this area is strong and that effective communication is taking place; however, subsequent year targets were not revised as they remained challenging due to external factors. The local governments who are opting out of the consultation process are small communities and regional districts that do not typically receive many liquor licence applications and do not have the staff to deal with them.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	2005/06 Variance
Achievement of milestones in changes to film and video classification regulations	Not applicable	Not applicable	Legislation amended to allow "designated classification agency" and repealed <i>Video Games Act</i>	Pilot adult video classification for other provinces	Pilot adult video classification project delayed pending outcome of judicial review in another province	Target not met

Appendix B: Legislation

The acts for which the Ministry of Public Safety and Solicitor General is responsible are as follows:

- *Attorney General Act* (ss. 2 (e), 5 and 6 as they relate to the powers, duties and functions of the Minister of Public Safety and the Solicitor General)
- *British Columbia Neurotrauma Fund Contribution Act*
- *Business Practices and Consumer Protection Act*
- *Business Practices and Consumer Protection Authority Act*
- *Commercial Transport Act* (ss. 2, 6, 7, 10, 13; and ss. 1, 4, 5, 8, 9, 11, 12 and 14, insofar as those provisions relate to affairs of the Insurance Corporation of British Columbia)
- *Consumer Protection Act*
- *Coroners Act*
- *Correction Act*
- *Cost of Consumer Credit Disclosure Act*
- *Cremation, Interment and Funeral Services Act*
- *Crime Victim Assistance Act*
- *Criminal Injury Compensation Act*
- *Criminal Records Review Act*
- *Emergency Communications Corporations Act*
- *Emergency Program Act*
- *Fire Services Act* (insofar as it relates to the portfolio of the Minister)
- *Firearm Act*
- *Fireworks Act*
- *Flood Relief Act*
- *Food Donor Encouragement Act*
- *Gaming Control Act*
- *Guide Animal Act*
- *Insurance Corporation Act* (Part 1)
- *Insurance (Motor Vehicle) Act*
- *Liquor Control and Licensing Act*
- *Liquor Distribution Act*
- *Ministry of Consumer and Corporate Affairs Act* (ss. 3 and 4 (a) in relation to Consumer Affairs; s. 4 (b) - (d))
- *Motion Picture Act*
- *Motor Dealer Act*

- *Motor Vehicle Act* (ss. 2 to 17.1, 18-25.1, 26, 26.1, 27-28.3, 29-65, 67-72, 74, 77, 79-81, 82.1, 83.2-90.4, 91-93.2, 94-94.6, 95-97.1, 98-104.95, 105, 105.1-105.95, 106-116, 117-118.92, 182.1, 184, 211.1, 215-215.4, 218.1, 221, 222, 224-236, and 241-248; and ss. 1, 66, 73, 75, 76, 78, 82, 83, 210, 211 and 220 insofar as those provisions relate to affairs of the Office of the Superintendent of Motor Vehicles; and ss. 1, 66, 73, 75, 76, 78, 82, 83, 83.1, 183, 210, 211, 220 and 238 insofar as those provisions relate to affairs of the Insurance Corporation of British Columbia)
- *Parental Responsibility Act*
- *Parole Act*
- *Police Act*
- *Private Investigators and Security Agencies Act*
- *Sale of Goods Act*
- *Senior Citizen Automobile Insurance Grant Act*
- *Sex Offender Registry Act*
- *Special Accounts Appropriation and Control Act* (ss. 7 and 10 (2) (a) and (b))
- *Victims of Crime Act*



*Ministry of
Small Business and Revenue
and
Minister Responsible for Regulatory Reform*

**2005/06
Annual Service Plan Report**



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For more information on the British Columbia
Ministry of Small Business and Revenue and Minister Responsible for Regulatory Reform contact:

Ministry of Small Business and Revenue

PO BOX 9432
STN PROV GOVT
VICTORIA, BC
V8W 9N6

or visit our website at
<http://www.sbr.gov.bc.ca/>

Email the Minister's Office at SBR.Minister@gov.bc.ca

Published by the Ministry of Small Business and Revenue



Message from the Minister and Accountability Statement

As Minister, I am pleased to report on the first year of the Ministry of Small Business and Revenue.

Established in June 2005, under the leadership of Premier Gordon Campbell, the ministry is committed to supporting small business and becoming a centre of excellence for tax administration and revenue management. The ministry's overarching goal is to provide British Columbians with the highest level of customer service. These priorities will help government achieve its goal to create more jobs per capita than anywhere else in Canada.

Working in partnership with industry, the ministry's committed staff have made great progress over the last year. In October 2005, we established the permanent Small Business Roundtable. Composed of 24 members who are leaders in the small business community and chaired by me, the roundtable held 14 meetings by the end of March, in communities from Fort St. John to Abbotsford. We heard directly from small business owners about their priorities, ideas and solutions, with excellent participation and many interesting ideas brought forward. I am confident, by working in partnership with small business, we will achieve our goal of becoming the most small business-friendly jurisdiction in Canada.

Last fall, we also launched the Provincial Sales Tax Review, to consult interested British Columbians on revenue-neutral options to streamline, simplify and enhance the fairness of the administration of this tax. By March, we had heard from more than 100 small business representatives at 15 consultations. Working with the Ministry of Finance, we will review these submissions, analyze the findings and recommend changes for inclusion in Budget 2007.

Another October milestone involved adding specific, measurable service excellence standards to our innovative *Taxpayer Fairness and Service Code*. For example, our goal is to respond to any correspondence sent to me, as Minister, within 14 days of receipt. This is another way we are demonstrating our commitment to customer service.

As Minister Responsible for Regulatory Reform, I am government's lead on the development of a modernized regulatory system while continuing to reduce red tape in British Columbia. Our goal is to make it easier for individuals and industry to operate, so they can spend more time growing their businesses.

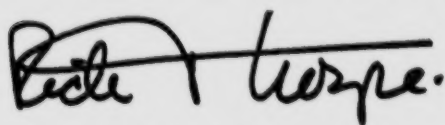
The 2005/06 Ministry of Small Business and Revenue Annual Service Plan Report compares the actual results to the expected results identified in the ministry's 2005/06–2007/08 *Service Plan Update*. I am accountable for those results as reported.

Additionally, under the *Balanced Budget and Ministerial Accountability Act*, I am accountable for earning \$225.6 million in incremental revenue in respect of revenues payable under enactments administered by the Minister of Small Business and Revenue. For the year ended March 31, 2006, I can confirm \$310.5 million in incremental revenue.

Reaching these and other goals in our agenda would not be possible without the commitment and dedication of the staff of the Ministry of Small Business and Revenue. On behalf of all British Columbians, I thank them for all their hard work over the past year.

It is a great time to be in British Columbia. Our economy is 'firing on all cylinders'. Our economic growth rate is among the highest in Canada. Our annual unemployment rate in 2005 was the lowest it has been in over 30 years, and our strong labour income growth is supporting consumer spending and residential construction growth.

The ministry will continue to pursue its goals and create new opportunities for British Columbians in this, the best place on earth to live, work, invest and raise a family.

A handwritten signature in black ink, appearing to read "Rick Thorpe". The signature is stylized with a large, sweeping initial "R" and a long horizontal stroke extending to the right.

Honourable Rick Thorpe
Minister of Small Business and Revenue
and Minister Responsible for Regulatory Reform

SBR.Minister@gov.bc.ca

June 30, 2006

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Highlights of the Year

Permanent Small Business Roundtable and Community Consultation Sessions

In October 2005, the ministry established a permanent Small Business Roundtable¹ to provide a forum for ongoing dialogue with the small business community across British Columbia.

The permanent Small Business Roundtable, led by 24 members of the small business community from all regions of the province and representing a number of small business associations, will provide ongoing advice to government on issues, strategies and possible actions to make British Columbia the most business friendly, citizen-centred jurisdiction in Canada.

Small Business Roundtable Members Comment on Community Sessions

"Many interesting ideas were brought forward to the minister at today's meeting. The small business community of Cranbrook welcomes this opportunity to meet with the minister and discuss, face-to-face, their ideas for how government and business can work more effectively together." — Mr. B. Hryciuk, Hryciuk Gallinger & Co., Inc., December 5, 2005; Cranbrook.

"These roundtables provide an important forum for small business owners to build and strengthen their working relationship with government." — Ms. L. Jones, Vice-President, BC and Yukon, Canadian Federation of Independent Business, January 26, 2006; Nanaimo.

By April 2006, the roundtable had held 18 consultations with small business owners in communities across the province. After completing the initial round of consultations, roundtable members will summarize and prioritize key issues facing small business in British Columbia, as well as provide feedback and advice to government on specific proposals that impact small business. Additionally, the roundtable members may identify and undertake selected initiatives to enhance the economic competitiveness of the small business sector. Government and the ministry will review the advice from the Small Business Roundtable and, working with partners, develop a Small Business Strategy to support the ongoing success of the small business sector.

The Ministry of Small Business and Revenue, partnering with the Ministry of Education, provided Junior Achievement British Columbia with \$2 million to support the expansion of entrepreneurship, business and trade education programs in schools across the province. The contribution was made in response to the need for expanded student business, trade and entrepreneurship programming identified in every region of the province during Small Business Roundtable consultations. The funding will provide expanded opportunities for students to understand the future career opportunities offered by entrepreneurship, trades

¹ For more information on the Small Business Roundtable or to submit ideas or comments online, visit <http://www.smallbusinessroundtable.ca/>.

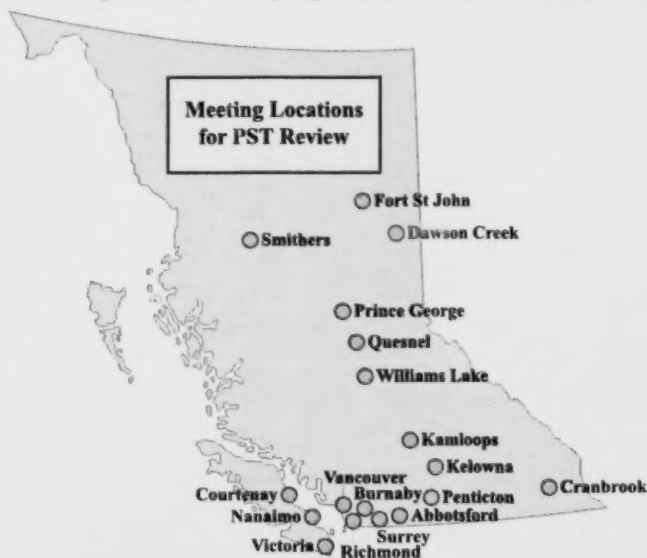
and small business, and provide more students with the skills needed to be successful business leaders and entrepreneurs. There will also be opportunities for more businesses and small business operators to become involved in student entrepreneurship programs by acting as mentors and volunteers in student based programs.

Provincial Sales Tax Review

The ministry launched the British Columbia Provincial Sales Tax (PST) Review² as part of the government's commitment to review taxation policies. The purpose of the review is to consult with individuals, small business and industry to develop revenue neutral options for changes to the PST.

The Review will look at policies, legislation and related administrative processes to streamline, simplify and enhance fairness for taxpayers.

PST Review consultations were held in conjunction with the Small Business Roundtable meetings. Businesses were invited to make presentations to the Minister on their key PST issues. By April 2006, 166 business

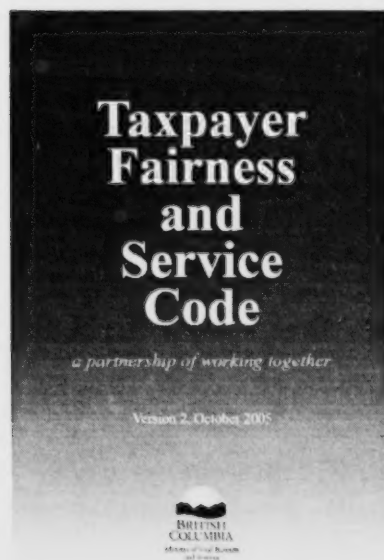


representatives had participated in PST Review meetings. The ministry also accepted submissions via email, mail and facsimile.

PST Review consultations concluded in May 2006. The ministry and the Ministry of Finance will analyze the input received and recommend changes to policy and legislation for spring 2007.

Taxpayer Fairness and Service Code — Service Standards

In January 2005, the ministry introduced the *Taxpayer Fairness and Service Code*³ detailing a taxpayer's right to timely customer service, courtesy, respect, fair treatment and confidentiality in all their dealings with the ministry.



² For more information on the Provincial Sales Tax (PST) Review view online at <http://www.sbr.gov.bc.ca/PSTReview/index.htm>.

³ For more information on the *Taxpayer Fairness and Service Code*, view online at <http://www.sbr.gov.bc.ca/fairness/>.

Subsequently, in October 2005, the ministry introduced 12 service excellence standards focused on the timeliness and accessibility of ministry services. Service standards were developed in partnership with several small business organizations from across British Columbia and address service areas of significance to their members. These standards will be used to monitor the ministry's customer service performance. Reporting on the ministry's performance begins in 2006/07. The *Taxpayer Fairness and Service Code* and associated service standards reflect the ministry's commitment to a culture of service excellence.

Citizen-Centred Customer Service

The ministry is committed to providing excellent customer service — public services that are more accessible, easier to deal with, and more responsive to individuals. In 2005/06, the ministry continued to focus on providing complete, clear, accurate and timely information to assist individuals and businesses to better understand their rights and obligations, and increase voluntary compliance with financial obligations to government. The following initiatives are some examples illustrative of the ministry's commitment to citizen-centred service delivery:

- A new initiative in 2005/06 focused on improving the quality of the information available to ministry customers. The ministry has been rewriting publications in plain language and creating new industry specific information. Several industries — film and television production, fabric and craft stores, nurseries and garden stores, and school suppliers — now have information specific to their business. The ministry will revamp information materials for approximately 40 different industries by March 2007. The information will be easier for industries to understand and will be more relevant to their business.
- The ministry collaborated with the Canada Revenue Agency to provide 19 Goods and Service Tax (GST) and Provincial Sales Tax (PST) information seminars, reaching almost 300 participants.
- Eighty-four "PST and You" seminars were conducted in regions across the province. The seminars provide information on the application and administration of the *Social Service Tax Act*. Over 2,400 registered vendors and individuals attended these seminars to increase their awareness of their responsibilities under the Act. The ministry also provided PST information at five convention and trade shows including the BC Construction Show and the BC Oil & Gas Summit, and conducted eight industry specific meetings to provide PST information dedicated to their industry sector.
- The ministry established a dedicated team to provide tax rulings to the public and ministry staff. The team responded to approximately 6,500 requests in 2005/06, a 40 per cent increase from 2004/05. Service excellence standards and turn-around times are documented in the *Taxpayer Fairness and Service Code* and performance reporting will begin in 2006/07.
- Adding to its dedicated telephone contact centre and 'front counter' service, the ministry officially opened its first Customer Service Centre in Victoria in July 2005. The centre provides walk-in access and personal service. This includes access to many provincial tax services — face-to-face business registration and responses to general enquiries, and a OneStop Kiosk (a web-based, electronic service delivery system designed to simplify government registration requirements for business owners).

- The ministry's telephone contact centres have realized significant service improvements in responding to customer calls. The average wait time for taxpayer inquiries was reduced from approximately 50 seconds to 20 seconds, while the wait time for Medical Services Plan billing inquiries were reduced from approximately three minutes to less than one minute over the past year.

Regulatory Reform

British Columbia has established itself as a leader and innovator in regulatory reform, implementing a regulatory reform initiative that measures regulatory burden, reviews existing regulatory requirements, controls new requirements, and measures and reports performance progress. No other Canadian jurisdiction has such a comprehensive reform initiative.

CFIB sees British Columbia as a Leader in Regulatory Reform

A recent Canadian Federation of Independent Business Report, Rate R: Prosperity Restricted by Red Tape, (December 12, 2005) identified British Columbia as a province in the forefront of regulatory reform. The report states,

"While still a young initiative, the regulatory reform program that started in BC in 2001 is arguably one of the most promising in Canadian history. It has all the essential ingredients for success: political leadership, public accountability and constraints on regulations."

In the last five years, government has reduced the number of regulatory requirements by 41 per cent, eliminating almost 156,000 requirements. Performance has exceeded government's goal to remove one-third of regulatory requirements. Regulatory reform makes it easier, faster and more efficient for individuals and businesses to deal with government. The initiative saves British Columbians time and money, and reduces administrative costs for government.

Beginning in 2006/07, the government will expand its regulatory reform focus to include the implementation of a new citizen-centred regulatory reform process. This will include ministry-specific projects to streamline access to government services for individuals, and reduce the steps to comply with regulations for small business and industry.

Revenue and Debt Collection

The ministry provides a central service to the Province for tax administration and revenue management. In 2005/06, the ministry administered \$20.6 billion in revenue, or approximately 58 per cent of all revenue received by the Province. Almost 98 per cent of the revenue collected by the ministry was identified by the ministry or self-assessed by individuals and businesses without ministry audit intervention.

The ministry achieved \$310.5 million in incremental revenue in 2005/06, exceeding the target of \$225.6 million. Incremental revenue is realized primarily as a result of ministry compliance activities. The ministry performed over 189,000 reviews and audits during the year.

The ministry exceeded its debt collection forecast of \$324.0 million, recovering \$349.8 million.

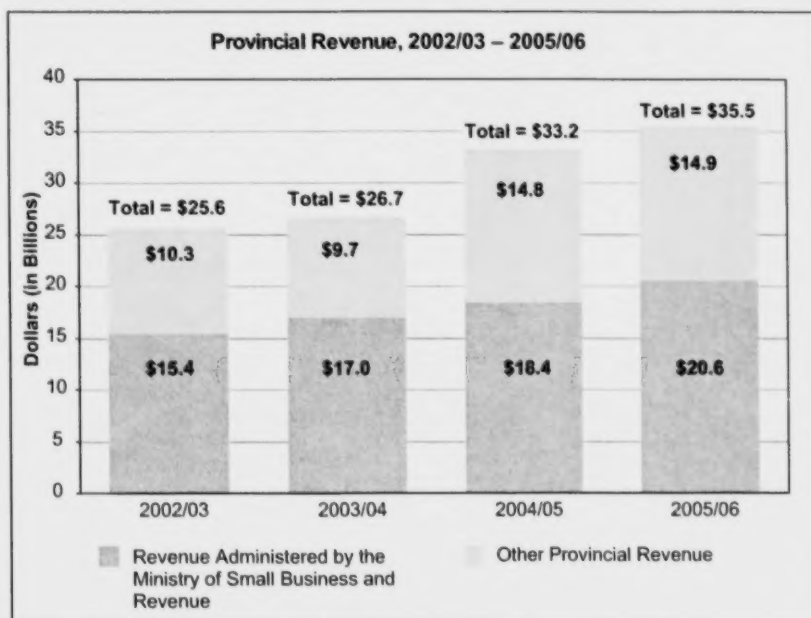
Revenue Management Project⁴

In 2004, the Province entered into an agreement with EDS Advanced Solutions Inc., a British Columbia based, wholly owned subsidiary of EDS Canada, Inc., to improve and streamline business processes and implement information technology solutions.

The goal is to transform, consolidate and centralize government revenue management under the Ministry of Small Business and Revenue.

During 2005/06, project development proceeded in consultation with key government stakeholders, and significant work for the design, configuration and implementation of the new Revenue Management System was completed. The first phase of the new system was implemented in April 2006. The ministry will now work with client ministries to transition account, bill, pay and collect functions to this centralized system.

For information on the achievements of the ministry's private sector service provider during the first year of operations, view the [Revenue Services of British Columbia Annual Report](http://www.sbr.gov.bc.ca/rsbc/AnnualReport-2005.pdf), published March 31, 2006 online at <http://www.sbr.gov.bc.ca/rsbc/AnnualReport-2005.pdf>.



⁴ View the Revenue Management Project Summary Report online at http://www.sbr.gov.bc.ca/rmp_summary_report.pdf.

Purpose, Vision, Mission and Values

Purpose

The Ministry of Small Business and Revenue was established in June 2005. The ministry incorporates the tax administration and revenue management responsibilities of the former Ministry of Provincial Revenue, and the small business development, regulatory reform and provincial property assessment and appeal process responsibilities from the former ministries of Small Business and Economic Development, and Sustainable Resource Management.

The ministry's mandate is to foster a competitive environment for small business⁵ and investment in all regions of British Columbia, and provide a centre of excellence in the Province of British Columbia for tax administration and revenue management. The ministry leads regulatory reform across government, and supports the Province's property assessment and appeal processes. Additionally, the Minister is accountable for BC Assessment, which establishes and maintains uniform real property assessments for all property owners in British Columbia.

The ministry is committed to excellence in its customer service, providing all of its services to British Columbians in a fair, efficient and timely manner.

Specifically, the ministry's mandate is to:

- Support the vital role small business plays in all areas of British Columbia's economy by championing small business success in government, and working with other ministries, partners and the small business community to implement strategies and initiatives to support small business start-up and growth.
- Identify and collect amounts owed to government through fair, efficient and effective tax administration and revenue management processes. These revenues support the provision of important government programs such as health care, education, transportation and social services.
- Provide a centre of excellence — streamlined, consolidated tax administration and revenue management services — to other ministries, local governments and other agencies.
- Lead regulatory reform in government, making it easier and more efficient for individuals, small business and industry to access government programs and services, and comply with regulations.
- Provide policy and administrative support to provincial property assessment and review processes to ensure transparent, flexible, fair and equitable service to British Columbia property owners.

⁵ A small business is a business operated by a person who is self-employed without paid help or has fewer than 50 employees. Refer to Appendix A for definitions and terms used in this document.

Vision⁶

The Ministry of Small Business and Revenue supports the prosperity of British Columbians through small business growth, effective tax administration and revenue management, and a responsible regulatory system.

Mission

The ministry will:

- Work in partnership to promote the success of the small business sector.
- Identify and collect provincial revenue to support government programs and services.
- Continue regulatory reform to improve government programs and services.

Values

The ministry's values guide the organization and its employees in conducting the business of the ministry and achieving its goals. The values of the ministry are reflected in the fairness and customer service principles detailed in the *Taxpayer Fairness and Service Code*, which guide all ministry staff dealings with customers, partners and stakeholders. The ministry also adheres to the core values of government — integrity, fiscal responsibility, accountability, respect and choice.⁷ The following demonstrates how the ministry's values are carried into its daily operations.

Values	Philosophy
Customer Service	We are committed to customer service excellence through responsive, courteous, fair and respectful treatment, and the protection of privacy and confidentiality.
Accountability	We are committed to serving the public interest, and measuring and reporting on our performance.
Partnership	We build and support partnerships with organizations, customers and stakeholders to achieve results.
Professionalism	We act with integrity, consistency and transparency, and maintain high corporate and personal standards.

⁶ The ministry's Vision, Mission and Values were revised to improve clarity during the 2006/07 planning process. The intent of these sections has not changed from that provided in the 2005/06 – 2007/08 Service Plan.

⁷ Government's core values are: *integrity* — to make decisions in a manner that is consistent, professional, fair, transparent and balanced; *fiscal responsibility* — to implement affordable public policies; *accountability* — to enhance efficiency, effectiveness and the credibility of government; *respect* — to treat all citizens equitably, compassionately and respectfully; and *choice* — to afford citizens the opportunity to exercise self-determination.

Strategic Context

The following section provides an overview of the ministry's operating context, including government direction, and the external and internal opportunities and risks that impact the ministry's operations, their expected effect on achieving the ministry's intended results and how they are being managed or mitigated.

Government Direction: Ministry contributions to the Government's Five Great Goals

The Government Strategic Plan⁸ has identified five key strategic goals for British Columbia. These goals guide activities and focus efforts across all ministries and government organizations. The Five Great Goals address literacy, healthy living, caring for those in need, a sustainable environment, and job creation for the decade ahead.

Government's Five Great Goals

1. Make British Columbia the best-educated, most literate jurisdiction on the continent.
2. Lead the way in North America in healthy living and physical fitness.
3. Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk, and seniors.
4. Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.
5. Create more jobs per capita than anywhere else in Canada.

The ministry manages revenues that fund the delivery of important programs and services, such as hospitals and schools, and administers a wide variety of tax credits and exemptions, and benefit programs that contribute to the achievement of all of the government's Five Great Goals. Most directly, the ministry makes a significant contribution to the success of Goal 5 — to create more jobs per capita than anywhere else in Canada. For more detailed information on the ministry's contributions to the achievement of the government's Five Great Goals, refer to Appendix B.

Government has identified a number of cross ministry initiatives to support the accomplishment of the Five Great Goals. The Ministry of Small Business and Revenue works with other ministries and government organizations to achieve outcomes and meet government priorities in areas of shared responsibility. Specifically, the ministry leads regulatory reform across government (refer to pages 15 and 31) and contributes to the success of the ActNow initiative and the 2010 Olympic and Paralympic Winter Games (refer to Strategies and Results: Page 43).

⁸ View the Government Strategic Plan online at <http://www.bcbudget.gov.bc.ca/>.

Regulatory Reform in British Columbia

The goal of the regulatory reform initiative is to minimize unnecessary government involvement in the lives of British Columbians. This improves service to individuals and businesses, and increases British Columbia's economic and business competitiveness.

The ministry is responsible for leading the regulatory reform initiative for government. However, it is the efforts of all government ministries and agencies that will lead to success. Key initiatives over the next three years (2006/07–2008/09) include:

Lead regulatory reform across government. The ministry will provide strategic leadership, support and guidance to this initiative. It will proactively advance the regulatory reform agenda in government, and identify and communicate the benefits of regulatory reform for British Columbians.

Maintain the regulatory reductions achieved to date while improving regulatory quality.

All ministries will have a target of maintaining a zero net increase in regulatory requirements over the next three years. This target is part of every ministry's service plan. Before new or revised legislation or regulations are approved, ministries must complete the Regulatory Criteria Checklist. Refer to Goal 2 for further information.

Implement a new citizen-centred regulatory reform process. Ministries will identify projects to streamline access to government services for individuals, and reduce the steps required to comply with regulations for small business and industry. In addition, some ministries will participate in cross ministry initiatives to integrate access to government services.

External Opportunities and Risks

Provincial economy — The impact of the national and global economy on the provincial economic environment directly affects the ministry's success in revenue and debt collection. Strong economic growth presents opportunities for increased revenue generation, both through new revenues and increased voluntary compliance with existing financial obligations to government. Slower economic growth could have a negative impact on revenue generation. In response, the ministry maintains comprehensive regularized systems for revenue monitoring and reporting by revenue source, participates in taxation policy reviews and revenue budgeting with the Ministry of Finance, and advises government and clients about changes in revenue expectations in a timely manner.

In 2005, British Columbia's real GDP grew by a solid 3.5 per cent, slightly faster than the 3.4 per cent growth rate forecast in the *September Budget Update*. Strong consumer spending and investment helped make British Columbia's growth the second fastest in the country, second only to Alberta. The province's economic growth was accompanied by a marked drop in the unemployment rate and strong labour income growth, supporting consumer spending and residential construction.

This strong growth combined with the ministry efforts resulted in increased total revenues, and success in meeting incremental revenue and debt collection targets for 2005/06. A positive economic environment also supports ministry initiatives to promote a vibrant small business sector in all areas of the province. In 2005, British Columbia was ranked first in Canada in per capita job creation. The number of small businesses in British Columbia grew by 1.7 per cent, well above the national average of 1.2 per cent.

Business environment — Provincial tax legislation and policy, and the regulatory environment contribute to the competitiveness of the province's investment climate compared to other jurisdictions. Recent research indicates the ability to easily identify, understand and comply with necessary regulations can be a determining factor in where a business decides to locate.⁹

Recognizing tax and regulatory reform will become increasingly important factors in encouraging investment in the province, the ministry implements initiatives to ensure the tax regime remains current and customer-centred. It also continues to streamline and simplify the regulatory environment to assist in maintaining the competitiveness of the province as a place to live, do business and create jobs. Specifically, in 2005/06, the ministry implemented the British Columbia Provincial Sales Tax (PST) Review as part of the government's commitment to review tax policies, and established a permanent Small Business Roundtable to hear directly from the small business sector on how to support small business success.

Voluntary compliance with financial obligations — The willingness of taxpayers to voluntarily meet their financial obligations is the foundation of the tax system in British Columbia. Their willingness is impacted by a wide variety of factors, both within and outside the ministry's control. A key factor within the ministry's control is the quality and accessibility of information to help British Columbians' better understand their financial entitlements and obligations.

The ministry delivers information, education and outreach programs to promote voluntary compliance, undertaking initiatives focused on improving the quality and clarity of information, and expanding payment options to make it as easy as possible for individuals and businesses to comply with financial obligations. The ministry's audit and compliance program promotes fairness and equity by leveling the playing field for the majority of taxpayers who are meeting their financial obligations voluntarily. A key focus of the audit and compliance program is to educate taxpayers on their obligations to support future voluntary compliance.

Customer expectations — British Columbians expect their government to provide timely, high quality, responsive, professional customer service, easy access to information, and to engage in mutually beneficial, collaborative relationships. Recognizing this, the ministry has worked to build a relationship with British Columbians based on the fairness and customer service principles formalized in the *Taxpayer Fairness and Service Code*. Phase 2 of the code included the establishment of 12 service excellence standards by which the ministry will monitor and publicly report on its customer service performance.¹⁰ The ministry has also established consultative processes to provide effective forums to hear directly from customers and stakeholders (for example, the Small Business Roundtable, the Revenue Programs Advisory Committee¹¹ and the British Columbia Provincial Sales Tax Review consultations).

⁹ *Enhancing Economic Competitiveness Through e-Government*. Deloitte Touche Tohmatsu. 2003.

¹⁰ For more information on the *Taxpayer Fairness and Service Code*, refer to Appendix H.

¹¹ The Revenue Programs Advisory Committee is a forum for stakeholders' and taxpayers' input regarding taxation issues. It was established in 1999 and meets semi-annually.

Citizens also have the right to know the government is ensuring the confidentiality and security of their personal and tax information. The protection of British Columbians personal information continues to be of paramount importance to the ministry and is critical to preserving public trust. The ministry has expanded its capacity to react to information and privacy issues, and has introduced industry leading practices to maintain privacy and security of personal information with its private sector service provider. Additionally, each tax act contains confidentiality provisions that protect the tax information and records that are collected in the administration of the tax legislation. These are in addition to the privacy provisions that apply to all of government. In general, all taxpayer information is confidential and may only be disclosed in the very limited circumstances provided for in the tax statute. There are also controls to sharing tax information with different jurisdictions.

Client requirements — The ministry collects revenues on behalf of a wide variety of client ministries, agencies, local governments and local service areas. The policy decisions made by these organizations may impact on ministry activities and the revenue the ministry administers. For example, when tax rates or exemptions are changed the ministry must update its public information, change administrative procedures and inform taxpayers, and adjust revenue expectations. Policy changes may also impact on taxpayer compliance with financial obligations.

In these circumstances, the ministry must remain adaptable to consequent changes to the collectability of accounts receivable, and collaborate with its customers and client ministries to be positioned to provide informed feedback to ministries contemplating legislative or policy changes that could impact revenues. Additionally, the ministry works closely with the Ministry of Attorney General and Ministry of Finance to clarify the government's position in appeal situations, and develop legislative amendments where needed.

Quality of information — The ministry provides revenue administration and debt collection services to client ministries. In order to provide these services in an effective and efficient manner, the ministry relies on the accuracy and integrity of customer identifying information maintained by these client ministries. The ministry works cooperatively with client ministries to improve the quality of client identifying information.

Internal Opportunities and Risks

Demographics and skilled workforce — The ministry's success is dependent on its highly motivated and skilled employees. Recruitment and retention remains a challenge in a highly competitive market for certain professional skill sets. The ministry continues to strive to be an employer of choice within the public sector, and is committed to establishing a culture of excellence and learning, encouraging staff development and retention. The ministry supports job assignments to further professional and career development of interested employees.

The current demographics of the workforce show many ministry employees will soon be approaching retirement age. This may result in increased retirement rates, knowledge retention issues and the challenge of recruiting for key organizational positions. The ministry, within the context of government initiatives addressing workforce and succession challenges, is developing new strategies for attracting, training and retaining employees.

Citizen-centred service delivery — The ministry continues to focus on initiatives supporting citizen-centred service delivery, reviewing existing and new programs to identify service enhancements. The ministry is working to ensure public information is provided in plain language and is responsive to the diverse information needs of its customers. The implementation of a new citizen-centred regulatory reform process across government will reduce the steps taken by individuals to access services, and reduce the time spent by small business and industry to comply with regulations.

Ministry capacity — To enhance business and service capacity, the ministry has entered into an agreement with a private sector service provider to improve, consolidate and streamline revenue management processes across government. This allows the ministry to leverage private sector investment, expertise and technology, while transferring risk. The ministry also works with a range of partners to ensure the successful delivery of ministry programs and services, and to realize ministry goals. Refer to Service Delivery and Core Business Areas on page 19 and Appendix C.

Internal operations — The ministry continually reviews its internal operations and adopts best practices in its business administration. Enterprise risk management, strategic planning, project and performance management, and continuous improvement initiatives are key areas of focus for the ministry.

Risk management is a key factor in the ministry's continued success. The ministry proactively identifies the threats and opportunities that potentially could impact its success, and addresses areas of high risk. The ministry employs a risk management approach to identify and evaluate risks associated with strategic ministry projects that support the achievement of service plan goals and objectives, and information management or technology projects with a budget or duration that exceed certain thresholds. The ministry has an internal audit committee and regularly conducts audits to identify areas of management or operational risk and develop mitigation strategies. Risk management techniques are also applied to specialized areas including financial risk, occupational health and safety, and business continuity.

Service Delivery and Core Business Areas

The ministry depends on the contributions and support of a wide range of partners, including the business community, industry, local governments and federal government agencies to deliver its mandate. The ministry's core business areas each work with various partners to deliver their specific programs and services. Building and maintaining effective relationships and partnerships is a key strategic focus for the ministry.

The ministry delivers its programs and services through a variety of delivery channels, including ministry staff, other ministries, BC Assessment, Property Assessment Appeal Board, Property Assessment Review Panels, Canada Revenue Agency, Canada Border Service Agency, Small Business BC and a private sector service provider (EDS Advanced Solutions Inc.).

The ministry ensures service quality and client-centred service are maintained through formal mechanisms such as legislation, performance and service agreements (for example, ministry Service Plans, contribution agreements, work plans) and year-end reviews. Refer to Appendix C for more information on Service Delivery and Appendix D for the legislation administered by the ministry.

Core Business Areas Overview

The ministry relies on five core business areas to deliver its programs and services, and achieve its goals and objectives. The ministry's organizational structure supports the delivery of the programs, services and key initiatives of each core business area. Appendix E provides an overview of the ministry's organizational structure and primary responsibilities.

In 2005/06, total ministry gross expenditures totaled \$138.96 million. Of this amount, \$95.30 million was recovered from external and internal sources. Net expenditures totaled \$43.66 million. Refer to Resource Summary (page 64).

Small Business and Regulatory Reform

Resources	
Gross Expenditures	\$2.91 M
FTEs	11

Small Business and Regulatory Reform is responsible for leadership and cross government coordination of initiatives to strengthen small business growth and advance regulatory reform. This business area supports the permanent Small Business Roundtable.¹²

The roundtable provides a forum for ongoing dialogue with the small business community across British Columbia, and provides ongoing advice to government and the small business sector on issues, strategies and potential actions to support British Columbia in becoming the most business friendly jurisdiction in Canada.

¹² For more information on the permanent Small Business Roundtable, view online at <http://www.smallbusinessroundtable.ca>.

This business area works with partners and stakeholders from all levels of government and the private sector to develop proposals and implement solutions to address impediments to small business success, and provide services, products and tools to support small business start-up and growth.

Small Business and Regulatory Reform is also responsible for developing and implementing the Province's regulatory reform strategy. Business area responsibilities include providing advice and expertise to ministries to support the successful implementation of regulatory reform initiatives, maintaining the regulatory count database and producing quarterly public reports on cross government regulatory requirements. This business area represents British Columbia's interests on federal, provincial and territorial committees and working groups, and internationally on regulatory reform initiatives with organizations such as the Organization for Economic Cooperation and Development, and Asia-Pacific Economic Cooperation.

This business area works with other ministries, other levels of government and the business community to implement its services and programs.

Revenue Programs

Resources	
Gross Expenditures	\$41.10 M
FTEs	494

Revenue Programs is responsible for administration, compliance and enforcement activities for taxes,¹³ fees and natural resource royalties for the Province. This includes audit assessments, tax refunds, and the administration of tax credit and benefit programs.

Natural resource revenue administration includes the collection of royalties, freehold production taxes and resource management fees levied on the production of minerals, oil and gas. This business area promotes voluntary compliance with tax obligations, ensuring amounts owed to government are received through quality customer service, education and compliance programs.

In addition, Revenue Programs, acting on behalf of the ministry, represents British Columbia in its relationship with the Canada Revenue Agency and the Canada Border Services Agency with respect to the taxation statutes these agencies administer for the Province. This ensures revenues due to the Province are identified and received in a timely manner. Strong links are maintained with the municipalities and other government organizations collecting taxes on behalf of the Province, and with local governments and service areas on whose behalf the ministry collects taxes.

Provincial taxpayers — individuals, the business community and industry — are the primary customers and stakeholders served by Revenue Programs.

¹³ Taxes include: consumption taxes (social service tax, hotel room tax, motor fuel tax and tobacco tax), property taxes (rural property tax, school tax and property transfer tax) and other taxes (corporation capital tax, insurance premium tax and logging tax).

Revenue Services

Resources	
Gross Expenditures ¹	\$55.48 M
FTEs	120

¹ Business area expenditures include payment to the ministry's private sector service delivery provider for revenue management services including the sharing of financial benefits realized by improving the collection of accounts receivable and reducing the related bad debt expense.

Revenue Services provides selected revenue management services¹⁴ for the ministry, its client ministries and their customers. Services available include account management, billing, payment and remittance processing, debt collection and other revenue management services provided through a combination of ministry staff and a private sector service provider. Revenue Services manages the ministry's agreement with EDS Advanced Solutions Inc. ensuring oversight and facilitating the success of the agreement on behalf of the ministry.

This business area also manages and collects revenues resulting from invoices the Ministry of Forests and Range issues to its forest industry clients, and manages trust security deposits for tenure agreements.

Provincial taxpayers and client ministries are the primary customers and stakeholders of Revenue Services.

Property Assessment Services

Resources	
Gross Expenditures ²	\$2.44 M
FTEs	14

² Costs are fully recovered from BC Assessment, other organizations through agreements and appellants to the board.

Property Assessment Services provides advice on strategic property assessment policy, participates in inter-ministry and inter-agency processes related to property assessment and taxation, and reviews and develops legislative and regulatory changes and amendments related to property assessment.

In addition, this business area administers the annual Property Assessment Review Panel program¹⁵ across

the province and supports the management of the Property Assessment Appeal Board.¹⁶ These review bodies ensure property assessments are accurate, reflect actual value, and criteria are applied consistently within a municipality or rural area. They work with BC Assessment, local taxation authorities and property owners to resolve disputes.

¹⁴ Revenue Services provides selected revenue management services for: Medical Services Plan; BC Ambulance Service; British Columbia Student Assistance Program; Employment and Assistance Program; Court Fines; Mineral, Oil and Gas revenues; Subsidized Bus Pass Program; Commercial loans; and tax programs that the ministry oversees for the Province.

¹⁵ The Property Assessment Review Panel program involves the annual appointment of approximately 275 panel members sitting on 80 panels throughout the province. The panels provide property owners in British Columbia with a first level of appeal through an accessible, affordable and equitable forum. For more information, view online at <http://srmwww.gov.bc.ca/clrg/parp/>.

¹⁶ The Property Assessment Appeal Board is independent from the Property Assessment Review Panels, government and BC Assessment. The Board's objectives are to resolve appeals justly and consistently, in accordance with the principles of procedural fairness and natural justice, and to complete appeals as quickly as possible, at minimum cost to all parties. For more information, view online at <http://www.assessmentappeal.bc.ca/>.

Property owners (individuals, businesses and industry) and municipalities are the primary customers of BC Assessment. The primary customers and stakeholders served by Property Assessment Services include BC Assessment, and the Ministries of Finance and Community Services.

Executive and Support Services

Resources	
Gross Expenditures ³	\$37.03 M
FTEs	180

³ Expenditures include those paid on behalf of the entire ministry, such as building occupancy charges, amortization costs, office supplies and expenses, and shared services costs related to the provision of information technology services, legal services, human resources and payroll management, and the corporate accounting system.

Executive and Support Services provides strategic leadership and corporate services to assist the ministry in achieving its goals and objectives.

This business area includes the Minister's and Deputy Minister's offices, and key programs and services provided across the ministry, including financial management and human resource services, strategic planning, performance reporting, information technology management, internal communication, and legislative and policy support. Executive and Support Services also administers investigative operations directed towards enforcement of provincial taxation

statutes. Key services to the public include responding to customer inquiries on tax, revenue and benefit programs administered by the ministry, providing taxpayer information and education, and conducting tax appeals reviews.

Taxpayers, legislators, other ministries and Ministry of Small Business and Revenue employees are the primary customers and stakeholders served by this business area.

Report on Performance

The ministry undertakes performance measurement and reporting to assess performance against established targets, inform decision-making processes and communicate progress towards ministry goals. The section contains detailed information on the ministry's performance during 2005/06 based on the performance measures and targets set out in the 2005/06 – 2007/08 Service Plan Update.¹⁷ The performance measures presented highlight the most critical aspects of ministry performance and are a sub-set of the data collected and reported internally by the ministry. The performance results demonstrate the ministry's progress towards achieving its stated vision, goals and objectives.

Performance for most measures is monitored monthly. This allows the ministry to implement operational changes required to improve performance in a timely manner. The ministry reviews performance measures at least annually to ensure measures continue to provide meaningful information, are representative of ministry performance and reflect ministry priorities. Measures are replaced where and when appropriate, balancing the need for reliable information with reasonable cost. Performance targets are based on past performance trends, government priorities, a focus on continuous improvement and availability of resources.

The data presented in this report is a valid representation of the ministry's performance during 2005/06. Performance is tracked through ministry financial and business information systems and processes, and is consistent with data reported in previous years unless otherwise noted. Data and explanations of performance are provided regularly by business areas with performance accountabilities across the ministry. This data supports the ministry's monthly and annual performance reporting and review processes, and annual planning. Ministry revenue is audited by the Office of the Auditor General as part of the audit of the Summary Financial Statements as reported in the annual Public Accounts of the Government of British Columbia. Ministry incremental revenue and debt collection totals are monitored by the ministry and reviewed by the ministry's Executive Financial Officer.

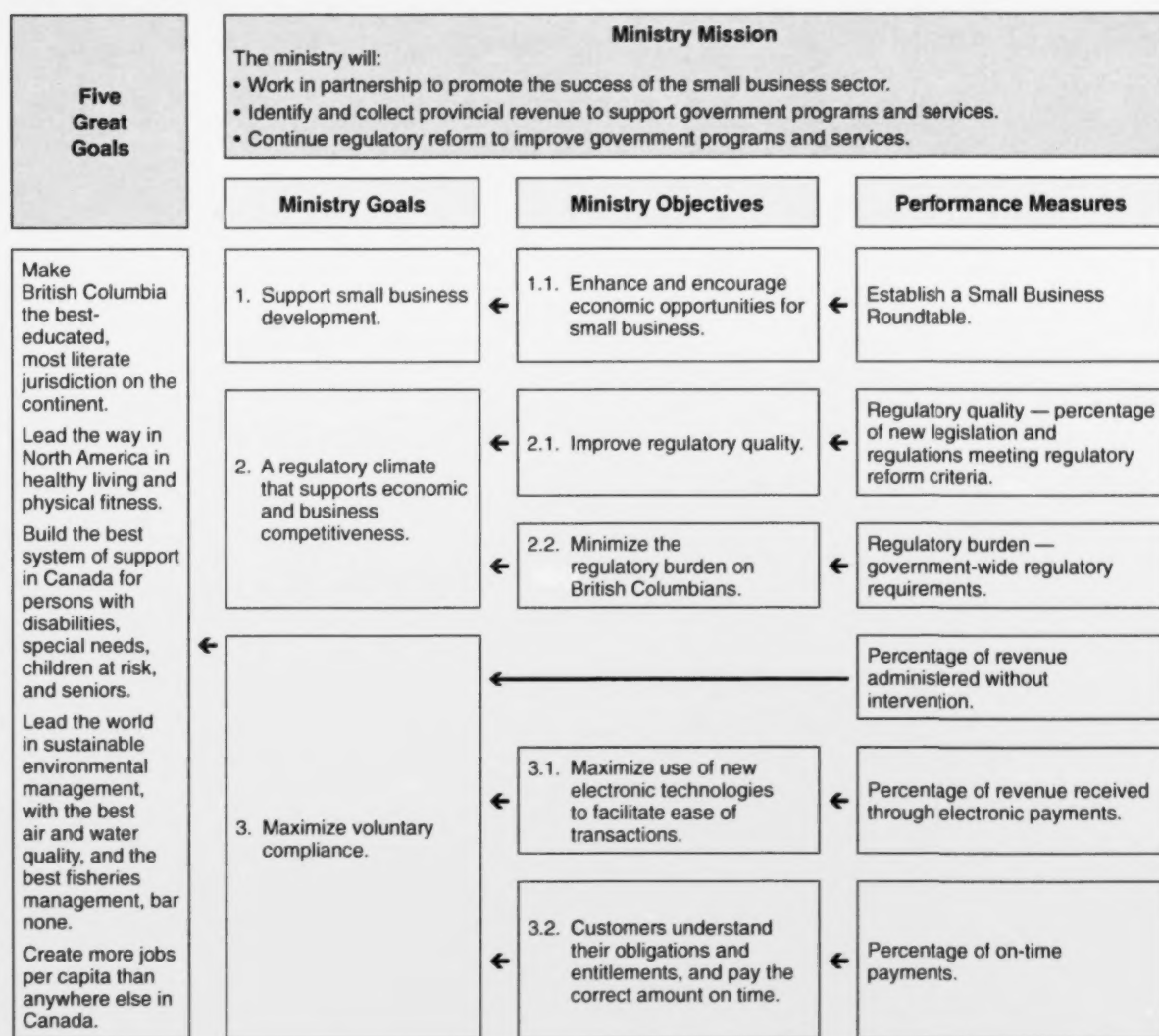
Since the publication of the 2005/06 – 2007/08 Service Plan Update, the ministry has undertaken a comprehensive review of its goals, objectives and performance measures. Details of the changes are in the 2006/07 – 2008/09 Service Plan and will be reported on at the end of 2006/07. Refer to Appendix F for details.

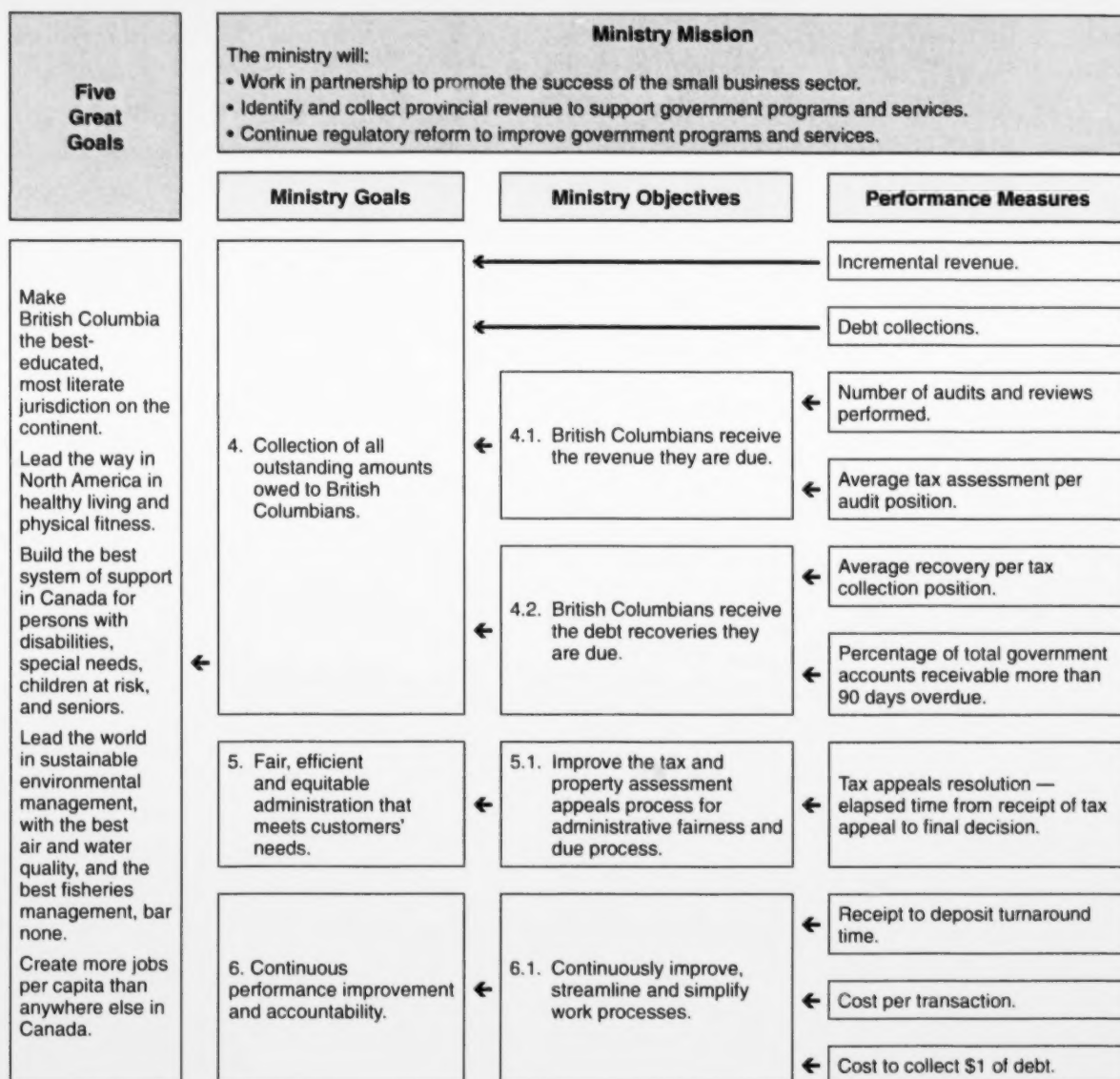
For information on performance data methodology and a discussion on benchmarking, refer to Appendix G.

¹⁷ View the 2005/06 – 2007/08 Service Plan Update online at <http://www.bcbudget.gov.bc.ca/>.

Performance Plan Summary Table

The ministry has established six strategic goals to guide it towards realizing its vision. These goals reflect government and ministry priorities, and the ministry's mission and values. The following diagram demonstrates the linkages between the ministry's goals, objectives and performance measures, and the government's Five Great Goals.





Performance Trends and 2005/06 Results

Following is an overview of the ministry's performance, presented by ministry goal, for 2005/06 and the previous three years (where available).

In 2005/06, the ministry exceeded, achieved or mostly achieved 13 of 16 targets set for its key performance measures. One measure did not meet target, one measure is not being reported while a third has been revised. The following section provides more detail on the ministry's performance during the past year.

Performance Measures	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Results
Goal 1: Support small business development						
Establish a small business roundtable.			New measure in 2005/06	Small Business Roundtable established	Small Business Roundtable established October 2005	Achieved Target (p.30)
Goal 2: A regulatory climate that supports economic and business competitiveness						
Regulatory quality — percentage of new legislation and regulations meeting regulatory reform criteria.			New measure in 2005/06	100%	100%	Achieved Target (p.32)
Regulatory burden — government-wide regulatory requirements.	382,139 (June 2001)	237,893 (June 2004)	230,297 (June 2005)	0% net increase over June 2004	5% decrease over June 2004 Actual (226,433)	Exceeded Target (p.34)
Goal 3: Maximize voluntary compliance						
Percentage of revenue administered without intervention.	96.1%	95.7%	97.2%	97.9%	97.7%	Mostly Achieved Target ¹ (p.37)
Percentage of revenue received through electronic payments.	58% (\$6.0 B) ² (2.7 M) ³	57.7% (\$6.8 B) ² (3.3 M) ³	58.8% (\$7.5 B) ² (3.3 M) ³	65%	64.6% (\$9.0 B) ² (4.1 M) ³	Mostly Achieved Target ¹ (p.38)
Percentage of on-time payments.	85% (858,000) ⁴	82.4% (794,000) ⁴	89.2% (new baseline) (856,000) ⁴	89%	88.9% (874,000) ⁴	Mostly Achieved Target ¹ (p.40)

¹ A target is considered to be 'mostly achieved' if the result is at least 95 per cent of the target.

² Revenue received electronically.

³ Number of payments received electronically.

⁴ Number of on-time payments.

Performance Measures	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Results
Goal 4: Collection of all outstanding amounts owed to British Columbians						
Incremental revenue.	\$410.2 M (\$308.2 M) ⁵	\$479.3 M (\$353.2 M) ⁵	\$330.7 M (\$251.8 M) ⁵	\$225.6 M	\$310.5 M (\$279.8 M) ⁵	Exceeded Target (p.44)
Number of audits and reviews performed.	194,104	184,441	187,749	168,000	189,856	Exceeded Target (p.45)
Average tax assessment per audit position.	\$1.1 M (\$632,000) ⁵	\$924,000 (\$646,000) ⁵	\$889,000 (\$667,000) ⁵	\$525,000	\$888,000 (\$802,000) ⁵	Exceeded Target (p.46)
Debt collections.	\$357.9 M	\$348.4 M	\$337.5 M	\$324.0 M	\$349.8 M	Exceeded Target (p.46)
Average recovery per tax collection position.	\$4.9 M	\$4.3 M	\$3.9 M	\$3.29 M	\$3.56 M	Exceeded Target (p.47)
Percentage of total government accounts receivable more than 90 days overdue.	40%	40%	35%	41%	34%	Exceeded Target (p.48)
Goal 5: Fair, efficient, and equitable administration that meets customers' needs						
Tax appeals resolution — elapsed time from receipt of tax appeal to final decision.	11.4 months	11.7 months	12.0 months	6.0 months	5.7 months	Exceeded Target (p.53)
Goal 6: Continuous performance improvement and accountability						
Receipt to deposit turnaround time.	New measure in 2003/04	3 Days	2 Days	95% on Same Day	89% on Same Day	Missed Target (p.57)
Cost per transaction.	New measure in 2003/04	\$0.82	\$0.68	\$0.75		Not Reported ⁶ (p.58)
Cost to collect \$1 of debt.		New measure in 2004/05	\$0.05 (\$0.024)	\$0.06 (new baseline established)	\$0.05 (\$0.029)	New Baseline Established ⁶ (p.58)

⁵ Incremental revenue and annual tax assessment per audit position have been normalized to remove extraordinary recoveries.

⁶ Refer to page 58 for an explanation of performance reporting for these two measures.

Goals, Objectives, Strategies and Performance Measures

Goal 1: Support small business development.

Small business is a significant driver of British Columbia's economic growth and is vital to the province's economic success. The ministry recognizes the importance of the small business sector and is committed to supporting a business climate in British Columbia where small business prospers. Realization of this goal benefits all British Columbians through its positive impact on job creation and the provincial economy, and directly supports both the ministry's mandate to foster a competitive environment for small business and the government's Great Goal to create more jobs per capita than anywhere else in Canada.

Small Business Profile

Small business plays a vital role in all areas of British Columbia's economy:

- constitutes 98 per cent (or 363,000) of all businesses in the province;
- employs approximately 971,000 people;
- plays a major role in the hi-tech sector, with 95 per cent of employers are small business;
- accounts for 57 per cent of all private sector jobs and;
- contributes 26 per cent of provincial GDP, the highest ratio of any province.

Small business employment in BC grew 3.3 per cent from 2003 to 2004, the second highest rate of growth among the provinces and well above the national average of 1.9 per cent.

Source: Small Business Profile 2005

The ministry's role in the area of small business development is to provide strategic leadership within government by identifying, coordinating and supporting government-wide initiatives. The ministry works closely with other ministries where policies and programs impact the small business community. It also works with a variety of partners to jointly develop proposals and implement solutions to address small business concerns.

Realization of this goal is influenced by elements outside of the ministry's control. For example, the impact of the national and global economy on the provincial economic environment, and the level of commitment of other ministries, levels of government and the business community to support small business development.

To support attainment of and commitment to this goal, in October 2005, the ministry established the permanent Small Business Roundtable. The Small Business Roundtable supports small business development by providing an effective forum to engage the small business sector in working with government to make British Columbia the most business friendly jurisdiction in Canada.

In addition, the ministry assumed responsibility for Small Business British Columbia (SBBC) in 2005. As a key partner of the Government of British Columbia, SBBC works with the Province in developing strategies and tools for small business development throughout

British Columbia. Funded by both the federal and provincial governments, SBBC is a not-for-profit organization that provides support to current and prospective small business operators in British Columbia. Small business in the province will benefit from the transfer as the SBBC's service delivery network complements the ministry's policy focus.

Core Business Areas: Small Business and Regulatory Reform.

Objective 1: Enhance and encourage economic opportunities for small business.

This objective, key to attaining Goal 1, reflects the ministry's commitment to identify, coordinate and implement initiatives to support small business start-up and growth.

Strategies and Results

Enhance the competitive environment for small business.

The ministry reviews tax proposals and changes to existing tax mechanisms, and monitors programs and services offered in other jurisdictions with the intent to adopt 'best practices' and ensure British Columbia offers a competitive environment for small business.

- The ministry participates in the "Federal/Provincial/Territorial Meeting of Government Officials on Small Business Policy." These meetings have been held annually for the past five years. The meetings provide an opportunity for collaborative information exchange, and sharing of experience and best practices.

Participate in federal-provincial policy and program development to support small business success.

The ministry collaborates with federal, provincial and territorial partners to influence the national small business policy agenda.

- The ministry assumed responsibility for Small Business BC (SBBC) in December 2005. This not-for profit organization, funded by both the federal and provincial governments, provides advisory services, business registration, market research services, and other tools to assist business start-up and growth.

Improve coordination of small business activities across government.

The ministry works to improve the coordination of small business activities across government, including working with other ministries to improve program delivery for small business.

- The ministry established the permanent Small Business Roundtable in October 2005. The roundtable provides ongoing advice to government on issues, strategies and possible actions to support small business success. Refer to Highlights section (page 7).
- The ministry launched the British Columbia Provincial Sales Tax (PST) Review as part of the government's commitment to review taxation policies. Consulting with individuals, small business and industry, the review will look at policies, legislation and administrative processes to streamline, simplify and enhance fairness for taxpayers. Refer to the Highlights section (page 8).

Diversify economic opportunities for small business.

The ministry maintains and builds partnerships with key organizations and levers resources to offer services, products and tools to entrepreneurs.

- The ministry secured \$395,000 in contributions from funding partners to support this strategy.
- Working with partners, the ministry developed and maintained resource guides aimed at identifying skill gaps and programs to enhance business opportunities for small business owners. Examples include British Columbia Skills Force Initiative, Small Business Profile, Small Business Quarterly, Growing Your Business — A Guide for British Columbia Women, and Leadership British Columbia Peer Mentoring Program.

Encourage small business development.

The ministry encourages small business development by raising the profile of small business opportunities, and highlighting and celebrating the contribution of small business to the economy and communities.

- The ministry championed and celebrated the success of small business and their contributions to the economy and communities, funding events such as — Small Business Week, Aboriginal BEST, Enterprise 2006 — UBC Sauder School of Business Undergraduate Awards, Junior Achievement Business Challenge, Kelowna Chamber of Commerce Business Awards, SUCCESS — Mentoring Program, and the Vancouver Island Business Awards.

Performance Measures and Results

Establish a Small Business Roundtable.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Result
Establish a Small Business Roundtable.			New measure in 2005/06	Small Business Roundtable established	Small Business Roundtable established October 2005	Achieved Target

Importance

This measure demonstrates the ministry's commitment to support small business development by establishing, in a timely manner, a mechanism to listen to and work with the small business sector to support their ongoing success.

Explanation of performance

A key initiative of the ministry is to work with other ministries, levels of government and other partners to support small business development. A key component of this initiative is the establishment of the permanent Small Business Roundtable. The roundtable will provide ongoing advice to government to support the small business sector. The roundtable was announced in October 2005, meeting the performance target.

Over the next year, government and the ministry will review the advice from the roundtable and, working with other ministries, levels of government and other partners, develop a Small Business Strategy to support the economic prosperity of the small business community in British Columbia. Future performance targets will measure the ministry's success in developing and implementing the strategy.

Goal 2: A regulatory climate that supports economic and business competitiveness.

The Ministry of Small Business and Revenue leads the regulatory reform initiative for government. This initiative is a key component of government's strategy to increase British Columbia's economic and business competitiveness, at the same time, preserving those regulations effective in protecting health, safety and the environment. Through a focused and responsible approach to regulatory reform, the province is moving toward a modern, streamlined and simplified regulatory system that supports the ministry's mandate and the government's Five Great Goals. This initiative makes it easier, faster and more efficient for individuals, small business and industry to access government programs and services, and comply with regulations.

The ministry provides strategic leadership by identifying and coordinating the implementation of initiatives to support regulatory reform across government. Realization of this goal and its objectives is supported by the government-wide commitment to the benefits of regulatory reform.

Over the last five years, the government has exceeded its goal of eliminating one-third of government requirements, achieving a 41 per cent reduction. A new, key initiative over the next three years is a focus on citizen-centred regulatory reform. Refer to Regulatory Reform in British Columbia (page 15) for further information.

Core Business Areas: Small Business and Regulatory Reform.

Objective 1: Improve regulatory quality.

This objective focuses on increasing the province's economic and business competitiveness by improving the quality of the regulatory regime in British Columbia. Developing a streamlined and responsive regulatory system includes eliminating unneeded regulations and improving the quality of existing and new regulations.

Reviews and reforms of legislation, regulations and associated administrative policies help to modernize, streamline, harmonize and eliminate redundancies. Continued improvement in the regulatory climate is key to attracting new investment and building a more competitive provincial economy.

Objective 2: Minimize the regulatory burden on British Columbians.

Reducing regulatory requirements is the foundation on which government's regulatory reform initiative was built. This objective focuses on reducing regulatory burden to minimize

unnecessary government involvement in the lives of British Columbians and reduce the cost of doing business in British Columbia. A streamlined, simplified regulatory environment helps maintain the competitiveness of the province as a place to live, do business and create jobs.

Strategies and Results

Improve regulatory quality by ensuring continued adherence to the Regulatory Reform Policy.

- All new legislation and regulations in 2005/06, that were not exempt from the policy requirements, complied with the Regulatory Criteria Checklist.

Maintain regulatory reduction achievements as of June 2004.

- Government has eliminated over 11,000 additional regulatory requirements compared to the count as of June 2004; with about 3,900 regulations eliminated during the past fiscal year.

Build capacity within the public service for regulatory reform through activities such as developing guidance and resource materials, training, workshops and conferences to share best practices.

- The ministry enhanced the regulatory reform website <http://www.regulatoryreform.gov.bc.ca> to include a toolbox and resource materials for government regulators. These enhancements provide concepts, methods and ideas for policy development to help craft better regulatory approaches that adhere to the BC Regulatory Reform Policy, achieve objectives and minimize regulatory burden.
- The ministry conducted 25 one-on-one training sessions with regulatory reform file managers across government. This training assists ministries to manage their regulatory reform initiatives.
- The ministry led four workshops to build capacity for regulatory reform within government — Regulatory Requirement Database and Regulatory Count Integrity, Three Year Regulatory Reform Plans, Regulatory Reform Policy and Checklist, and Citizen Centred Regulatory Reform.
- The ministry presented a one-day conference in March 2005, Smart Regulations at Work in BC. The conference was designed to build capacity in government for regulatory reform and 'smart regulations' through the sharing of information on successful initiatives and priorities for the future. Over 200 participants attended the conference.

Performance Measures and Results

Regulatory quality — percentage of new legislation and regulations meeting regulatory reform criteria.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Results
Regulatory quality — percentage of new legislation and regulations meeting regulatory reform criteria.			New measure in 2005/06	100%	100%	Achieved Target

Source: Ministry of Small Business and Revenue business information systems.

Importance

This measure demonstrates the government's commitment to improve the regulatory regime in British Columbia. The quality of proposed legislation is managed through the use of the Regulatory Reform Policy. This measure reports on the proportion of proposed legislation, policies and regulations, introduced in the last fiscal year, evaluated according to the Regulatory Criteria Checklist as set out in the Regulatory Reform Policy (refer to *Figure 1*). The criteria are based on internationally recognized principles of good quality regulatory design.

Explanation of performance

In 2001, the B.C. Government directed that all proposed legislation and regulations be developed in compliance with the Regulatory Criteria Checklist of the Regulatory Reform Policy. Exemptions from the regulatory criteria are permitted under specific, documented conditions, and require approval of the Minister responsible. The checklist ensures new or amended legislation is reviewed based on internationally recognized principles of good quality regulatory design, thereby contributing to the improvement of the overall regulatory environment in British Columbia.

The target established for 2005/06 was achieved. All new legislation and regulations in 2005/06, that were not exempt from the policy requirements, complied with the regulatory reform criteria. Of 29 new acts and regulations, fifteen new acts and regulations were introduced and brought into force, and all were evaluated according to the ten regulatory reform criteria. Fourteen new acts and regulations were exempt because they were non-regulatory or transitional in nature, housekeeping changes to clarify or correct a provision or required under a national uniform legislation or regulatory scheme.

Beginning in 2006/07, this performance measure will be monitored internally. The ministry will introduce a new measure to track government-wide efforts to streamline and simplify access to government programs and services, and reduce the steps required to comply with regulations. The new measure will focus on success achieved through citizen-centred regulatory reform initiatives. It will be developed in 2006/07. Performance reporting will begin in 2007/08.

Figure 1: Regulatory Criteria Checklist.

Regulatory Criteria Checklist	
1. Reverse onus:	need for the regulation is justified.
2. Regulatory design is results-based:	design reflects government's commitment to regulations that use scientific evidence and, where feasible, market incentives to achieve compliance and regulatory objectives.
3. Transparent development of regulatory requirements:	views of interested parties have been considered.
4. Cost-benefit analysis completed:	a cost-benefit analysis of the regulation has been completed.
5. Competitive analysis completed:	impact of regulatory requirements has been assessed and compared with equivalent regimes in other jurisdictions.
6. Regulatory requirements avoid or eliminate duplication with other jurisdictions:	duplication or overlap with requirements imposed by federal or local government has been avoided.
7. Timeliness of regulatory response:	steps undertaken to ensure those administering the regulation will respond in a timely way to those affected.
8. Plain language:	plain language has been used to draft the legislation.
9. Sunset review and expiry provisions:	need of periodic review of regulation has been considered.
10. Replacement principle applied:	one regulatory requirement eliminated for each new regulation introduced.
Source: Ministry of Small Business and Revenue; http://www.regulatoryreform.gov.bc.ca/ .	

Regulatory burden — government-wide regulatory requirements.

Performance Measure	June 2001 Actual	June 2004 Actual	June 2005 Actual	2005/06 Target	2005/06 Actual	Results
Regulatory burden — government-wide regulatory requirements.	382,139	237,893	230,297	0% net increase over June 2004 Actual (237,893)	5% decrease over June 2004 Actual (226,433)	Exceeded Target

Source: Ministry of Small Business and Revenue business information systems.

Importance

This measure tracks the total number of regulatory requirements administered by provincial ministries and government agencies. The number of government-wide regulatory requirements provides a good indication of the overall regulatory burden on British Columbians. Reducing regulatory burden makes it easier, faster and more efficient for individuals and businesses to deal with government.

Explanation of Performance

The target for 2005/06 — a zero net increase over June 2004 achievements — was exceeded. Total government regulations have been reduced by five per cent over June 2004 (a reduction of 11,460 regulations), with a two per cent reduction achieved within the past fiscal (a reduction of 3,864 regulations).

Government set priorities in the areas of employment standards, safety standards, liquor control and licensing, land use management and the resource sectors. Many of the changes exemplify the shift towards results-based regulation — encouraging innovation, competitiveness and economic growth.

Looking to the next three year period, ministries and agencies collectively are expected to continue to maintain their June 2004 regulatory reduction achievements. These targets reflect government's ongoing commitment to maintain the regulatory reduction achievements realized in the first four years of the regulatory reform initiative and demonstrate the government's commitment to reduce the regulatory burden on individuals, small business and industry in British Columbia.

Goal 3: Maximize voluntary compliance.

Voluntary compliance is the foundation of the taxation system in British Columbia, and is central to the ministry's revenue administration efforts. Voluntary compliance means individuals and businesses meet their financial obligations without the need for ministry intervention through audit, compliance or collection activities. It is the most efficient and effective means of administering revenue owed to government.

Improvements in voluntary compliance result in increased revenues to fund important government programs and services, contributing to the achievement of the ministry's mandate to identify and collect amounts owed to government, and supporting all of the government's Five Great Goals.

The ministry's success in meeting this goal depends on the willingness and ability of customers to pay the correct amount on time. It is expected voluntary compliance will increase if the ministry makes it easier for individuals and businesses to identify and understand their financial obligations, and provides a range of payment options.

Core Business Areas: Revenue Programs, Revenue Services, Executive and Support Services.

Objective 1: Maximize the use of new electronic technologies to facilitate ease of transactions.

Providing a range of payment options to facilitate payment of financial obligations to government is key to attaining Goal 3. The ministry has focused on expanding electronic payment processes because they are designed to be faster and easier for customers to use, and more cost effective to operate than manual payment processing systems. It has been the ministry's experience that voluntary compliance increases as payment options are expanded.

The expansion of electronic payment options has been a ministry priority for several years. The ministry has enjoyed significant success with the number of electronic payments increasing from 2.7 million in 2002/03 to 4.1 million in 2005/06. This initiative is relatively mature, with a variety of electronic payment options in place for the ministry's major programs.

Objective 2: Customers understand their obligations and entitlements, and pay the correct amount on time.

The ministry has focused efforts on identifying and implementing quality customer service initiatives to respond to customers' needs for information to assist them in identifying and understanding their financial obligations to government. It is expected voluntary compliance will increase if customers understand and accept their financial obligations.

Strategies and Results

Help British Columbians to better understand their financial obligations to government; improve information and service to the public.

- The ministry is committed to service excellence based on a citizen-centred approach to service delivery. The ministry helps British Columbians to better understand their financial rights and obligations by providing clear, complete, accurate and timely information. This includes providing educational sessions and seminars across the province, timely statutory interpretation and ruling services, and multi-channel access to information outlining financial obligations, filing due dates, methods of filing and payment, and contact information for questions. To ensure information, education and outreach programs meet the needs of customers, the ministry consults with a wide variety of stakeholders to identify their requirements and priorities.
- The ministry offers free tax seminars and workshops throughout British Columbia. This service is available to taxpayers from any size business. Ministry staff are available to meet with businesses to provide presentations on any provincial tax-related topic or will tailor a seminar to meet their needs. This includes developing and presenting industry-specific seminars for individual associations. For more information, view online at <http://www.rev.gov.bc.ca/seminars/index.asp>.

Refer to Highlights section (page 9) for specific examples of citizen-centred customer service initiatives.

Make it as easy as possible to comply with financial obligations.

To facilitate ease of payment, the ministry has introduced expanded options for making payments electronically, is focusing education and awareness programs on areas of lower participation, and is identifying and removing barriers, where possible, to the use of electronic payments. For example:

- All major programs have access to a variety of electronic payment options.
- The ministry focused efforts to increase electronic payments for forestry invoices and receivables. A brochure on available payment options is provided at ministry offices and ministry staff are available to assist customers who want to make use of an electronic payment option. Revenue received electronically in 2005/06 increased \$117 million over 2004/05 (a 22 per cent increase in revenue received electronically and a 7 per cent increase in number of electronic payments).
- A new initiative in 2005/06 was the introduction of electronic filing of information required to calculate royalties for oil producers. This has reduced administrative burden on both the producers and ministry, and increased the accuracy of the information provided with the elimination of multiple manual steps.
- The ministry, participating in a cross government initiative, is currently exploring the use of credit cards as a payment option for a wider range of financial obligations to government. If successful, this will add to the suite of modern, convenient payment options already available to customers, supporting the government's commitment to citizen-centred service delivery.

Performance Measures and Results***Ministry revenue administered without intervention.***

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Results
Percentage of revenue administered without intervention.	96.1%	95.7%	97.2%	97.9%	97.7%	Mostly Achieved Target

Source: Ministry of Small Business and Revenue business information systems.

Importance

This is an overall measure of the ministry's success in meeting Goal 3 — maximizing voluntary compliance. This measure reports the percentage of revenue recognized as a financial obligation to government, either by the ministry or self-assessed by individuals and businesses, without audit or compliance intervention. Seemingly minor increases in performance translate into the potential for millions of dollars in voluntary payments.

Explanation of performance

The target established for 2005/06 was mostly achieved, with 97.7 per cent of revenue identified without intervention. The target for this measure is established based on estimates of both total and incremental revenue, and reflects the projected balance between the two. Due to stronger than anticipated performance in identifying incremental revenue (refer to page 44), performance for this measure is slightly below target.

However, performance has improved over the last four years, with the ministry's best performance to date realized in 2005/06. Although performance increases are small, they result in a significant increase in voluntarily identified revenue. In 2005/06, an estimated \$1.2 billion in additional revenue was identified without intervention. This performance was supported by the ministry's information, education and outreach services, and the strong performance of the provincial economy.

In 2006/07, this measure will be replaced with a new measure — percentage of identified revenue collected. The new measure reports on the ministry's success in collecting all amounts identified as owed to government (identified by the ministry, voluntarily identified by individuals and businesses, and identified through ministry intervention). A baseline will be established in 2006/07 and reporting will begin in 2007/08.

Percentage of revenue received through electronic payments.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Results
Percentage of revenue received through electronic payments. ¹	58% (\$6.0 B) ² (2.7 M) ³	57.7% (\$6.8 B) ² (3.3 M) ³	58.8% (\$7.5 B) ² (3.3 M) ³	65%	64.6% (\$9.0 B) ² (4.1 M) ³	Mostly Achieved Target

Source: Ministry of Small Business and Revenue business information systems.

¹ Electronic payments — electronic funds transfer, electronic data interchange payment from financial payment systems, payments made through personal computer and telephone banking, preauthorized payments, pay direct e-banking and group e-banking, credit card payments and those made at a financial institution or Government Agent offices and transferred to the ministry electronically. The range of payment options available varies based on the type of payment.

² Revenue received electronically.

³ Number of payments received electronically.

Importance

This measure tracks the replacement of physical payments (cash, cheques and drafts) with electronic payments, reporting on the percentage of revenue received electronically. Results are an indicator of the success of the ministry's e-service initiatives, monitoring the public's use of the suite of electronic options available for payments. If these initiatives are successful, it is expected a greater proportion of revenue and payments will be received electronically.

Explanation of Performance

In 2005/06, the ministry received \$14 billion in direct payments with \$9.04 billion (64.6 per cent) received electronically. This performance falls short of the target set. However, performance has increased significantly over 2004/05 and is the best recorded to date.

The ministry has achieved improvements in the amount of revenue and the number of payments received electronically over the past four years. Both the amount of revenue received electronically and the number of electronic payments have increased 50 per cent over the past four years.

The ministry's improved performance in 2005/06 can be attributed to the increased uptake of electronic payment options for property tax (82.5 per cent of revenue was received electronically compared to 77 per cent in 2004/05) and consumption taxes (72.1 per cent of revenue was received electronically compared to 66.8 per cent in 2004/05). These two tax areas constitute approximately 69 per cent of all revenue received electronically by the ministry in 2005/06. Refer to *Figure 2*.

The ministry did not fully achieve its target due to lower than expected revenue received electronically for Other taxes, Medical Services Plan (MSP) premiums and Natural Resource Revenues (with the exception of Forest revenues). In some cases, the actual number of electronic payments were high — almost 3.2 million individual MSP premium payments were made electronically representing 81.5 per cent of all MSP payments received — but the overall dollar value was low due to clients with large payments continuing to use physical payment methods. Only 31.0 per cent of the revenue received for MSP premiums resulted from electronic payments.

The ministry will continue to focus education and awareness programs on areas of lower participation, and identify and remove barriers, where possible, to the use of existing electronic payment options.

This measure is not included in the 2006/07 – 2008/09 Service Plan. The ministry has seen increasing use of electronic payment options over the last three years and felt it was time to retire this performance measure so new initiatives of the ministry can be reported on in the future. Performance will be monitored internally.

Figure 2: Electronic Revenue and Payments by Revenue Type, 2005/06.

Revenue Type	Revenue Received Electronically			Payments Received Electronically	
	Dollars (in millions)	Per Cent For Revenue Type	Per Cent By Total Revenue Received	Number	Per Cent For Revenue Type
Consumption taxes ¹	4,697	72.1	52	390,000	39.1
Property taxes	1,532	82.5	17	116,000	30.4
Other taxes ²	342	57.2	4	4,600	26.5
Natural Resource Revenues ³	1,961	55.3	21	34,000	48.5
Medical Services Plan (MSP) Premiums	429	31.0	5	3,160,000	81.5
Non-tax debt collections ⁴	83	83.2	1	361,000	85.0
Total	9,044	64.6	100	4,065,600	76.1

Source: Ministry of Small Business and Revenue business information systems.

¹ Consumption taxes — provincial sales, hotel room, motor fuel, and tobacco taxes.

² Other taxes — corporation capital, insurance premium and logging taxes.

³ Natural Resource Revenues — royalties, freehold production taxes and resource management fees levied on the production of mineral, oil and gas, and forest revenues.

⁴ Non-tax debt collections — Immigrant Sponsorship Program, B.C. Ambulance Service, British Columbia Student Assistance Program, Employment and Assistance Program and court fines.

Percentage of on-time payments.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Results
Percentage of on-time payments. ¹	85% (858,000) ²	82.4% (794,000) ²	89.2% (new baseline) (865,000) ²	89%	88.9% (874,000) ²	Mostly Achieved Target

Source: Ministry of Small Business and Revenue business information systems.

¹ The 2004/05 Actual has been restated to include only the on-time returns of those obligated to make a payment and excludes those required to submit a remittance when no tax is owed. This represents a new baseline for this performance measure.

² The number of on-time payments received.

Importance

This measure tracks the remittance of consumption taxes, property taxes, and mineral, oil and gas taxes and royalties, calculating the percentage paid on or before their legislated due date. It provides an indication of the taxpayers' understanding of their financial obligations and their willingness to comply. If customer service initiatives are successful, it is anticipated the percentage of on-time payments will increase as more taxpayers understand their responsibilities and the legislative requirements of the tax system.

In 2005/06, the payments comprising this measure represented approximately 76 per cent of total ministry payments, reflecting \$6.9 billion in revenue or 52 per cent of ministry revenue (excluding that collected by the CRA for the ministry).

Explanation of Performance

Of the 973,000 tax payments received by the ministry in 2005/06, 874,000 (88.9 per cent) were received by their legislated due date. This performance mostly meets the 2005/06 target. However, it reflects a slight decline in performance compared to 2004/05.

Performance reflects a lower than expected proportion of on-time payments for provincial sales tax — the primary driver of ministry success in this area. Performance in other areas of the ministry improved slightly over 2004/05 and the number of on-time payments increased across the ministry. Refer to *Figure 3*.

Comprehensive public information, education and outreach programs targeted at both businesses and individuals supported ministry performance. This focus will continue and be expanded to support achievement of performance targets for the next three years. Future targets have been set to achieve incremental improvement, building on the current high level of achievement.

Figure 3: Comparison of On-time Payment Performance 2004/05 – 2005/06.

Payment Type	2004/05		2005/06	
	Number of On-time Payments	Per cent of On-time Payments	Number of On-time Payments	Per cent of On-time Payments
Consumption Tax (provincial sales tax and hotel tax)	558,000	91.5	561,000	90.6
Rural Property Tax	285,000	85.5	289,000	85.7
Mineral, Oil and Gas Revenues	22,000	88.9	24,000	91.1
Total	865,000	89.4	874,000	88.9

Source: Ministry of Small Business and Revenue business information systems.

Goal 4: Collection of all outstanding amounts owed to British Columbians.

The ministry is responsible for identifying and collecting amounts owed to government, for those statutes it administers, through fair, efficient and effective tax administration and revenue management processes. Successful tax administration and revenue management depend on the voluntary payment of financial obligations, balanced by education, assistance, audit, compliance and collection activities.

The ministry undertakes audit, enforcement and collections activities to recover outstanding amounts owed to British Columbians, and to promote fairness and equity by leveling the playing field for the majority of customers who are meeting their financial obligations voluntarily. These activities assist in identifying monies owed, ensuring amounts owed are collected, deterring customers who might otherwise avoid paying, and educating customers and debtors on their obligations. Education on obligations and the deterrent effect of audits also contribute to increased voluntary compliance (refer to Goal 3).

Success in Goal 4 means monies owed to British Columbians are identified, recovered and made available to address government strategic priorities. This goal contributes directly to the achievement of the ministry's mandate — to identify and collect amounts owed to government — and supports all of the government's Five Great Goals.

The ministry's success can be influenced by conditions beyond its control, most notably, the health of the provincial economy, which can impact on the total revenue the ministry receives and the voluntary payment of financial obligations. Refer to Strategic Context (page 14).

Core Business Areas: Revenue Programs, Revenue Services.

Objective 1: British Columbians receive the revenue they are due.

This objective focuses on identifying outstanding revenues owed to British Columbians through the ministry's audit and compliance programs, and ensuring individuals and businesses are meeting legislated requirements. These activities result in the identification of revenues owed to government, which otherwise would not have been received.

Objective 2: British Columbians receive the debt recoveries they are due.

The ministry undertakes collection activities to obtain repayment of outstanding amounts owed to British Columbians. The ministry's efforts result in payment of a wide variety of tax and non-tax overdue receivables, and contribute to a reduction in the overall amount of government receivables.

A key initiative of the ministry is the development of a new Revenue Management System. Refer to Strategies and Results following.

Strategies and Results

To recover outstanding monies owed to British Columbians and to promote fairness and equity, the ministry uses the following strategies to identify and collect all outstanding amounts when a customer fails to meet their obligations, either willfully or due to an error:

Conduct compliance and audits activities.

The ministry ensures the audit and compliance program is adequately resourced, focuses efforts on areas of highest risk of non-compliance and levels the playing field for taxpayers.

- In 2005/06, the ministry exceeded all of the performance targets associated with its audit and compliance program.
- With amendments to the *Forest Act*, the ministry will begin the implementation of a forest revenue (stumpage) audit program in 2006/07, working in consultation with the forest industry. Stumpage revenues are worth \$1 billion to the Province annually and rely upon a self-assessing system. Currently, these revenues are the only major revenue source without a comprehensive audit program. This program will further protect the revenue the public is receiving from Crown forest resources.

Improve the timelines of assessment practices.

The ministry manages its workload to ensure the timely issuance of assessments following audit and compliance activities. This reflects good customer service and increases the chance of recovering outstanding amounts owed to government.

- The ministry undertook a special project to reduce the backlog of property transfer tax compliance reviews resulting from a strong real estate market to provide more timely assessments.

Improve the collaboration and accountability across jurisdictions to pursue joint tax enforcement activities.

- The ministry has developed, with the Canada Revenue Agency (CRA), an annual work plan to help ensure personal and corporate income tax revenue due to the Province is identified and received in a timely manner. The work plan identifies both ongoing and one-time initiatives, accountabilities and, where appropriate, timelines and performance measures.
- The ministry is working closely with the CRA and the Vancouver Organizing Committee to ensure contractors, sponsors and suppliers, particularly those from other provinces and countries, are aware of their tax obligations in British Columbia while preparing for and operating during the 2010 Olympic and Paralympic Winter Games. The ministry's focus is on increasing awareness by providing educational materials and answering specific tax questions.

Improve collection processes.

- The ministry focuses resources on debt collection functions and strives to continually improve revenue recovery tools and approaches to ensure collection functions are effective.
- The ministry has entered into an agreement with a private sector service provider to further enhance the effectiveness of revenue and debt collection administration. Phase 1 of the Revenue Management System was implemented in April 2006. A benefit of the new system is the increased ability to collect outstanding amounts owed to the Province. This will be accomplished by helping customers understand how much they owe, offering a variety of payment options and using innovative collection processes. The results will be reduced bad debt expenses, and lower borrowing costs to government because of timely payments and collection of debts.
- Over the past two years, the ministry has phased in enhanced debt recovery options introduced in legislation in 2004. Under consumption tax legislation, a director of a corporation may be liable for the taxes the corporation fails to collect or remit. Directors may also be liable if the corporation fails to pay a security. A director who takes reasonable steps to ensure that the corporation pays its taxes or security will not be liable.

Incremental revenue.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Results
Incremental revenue.	\$410.2 M (308.2 M) ¹	\$479.3 M (\$353.2 M) ¹	\$330.7 M (251.8 M) ¹	\$225.6 M	\$310.5 M (\$279.8 M) ¹	Exceeded Target

Source: Ministry of Small Business and Revenue business information systems.

¹ Incremental revenue normalized to remove extraordinary recoveries. Extraordinary recoveries include unanticipated and one-time incremental revenue.

Importance

This measure is an indication of the ministry's success in identifying outstanding amounts owed to government through audit and compliance activities, and contributes to the achievement of Goal 4. It reports on the amount of revenue, primarily from taxes, identified as owed to government as a result of ministry intervention. The amounts identified are incremental revenue. Incremental revenue targets are approved annually by Treasury Board and are set out under the *Balanced Budget and Ministerial Accountability Act*. Achievement of the annual target is a key accountability of the Minister of Small Business and Revenue.

Explanation of performance

In 2005/06, the Minister was accountable for earning \$225.6 million dollars in incremental revenue in respect of revenue payable under the enactments he administers. The ministry exceeded its target, identifying \$310.5 million in incremental revenue. A substantial amount of revenue is derived from out-of-province audit assessments to ensure British Columbia businesses are not at a tax disadvantage compared to their out-of-province counterparts operating in the province.

The ministry sets annual incremental revenue targets based on the best information available at the time. Through the year, it explores new and emerging opportunities and focuses its resources in areas where risk of revenue loss is greatest. Achievement of targets are due to a number of factors, including the variability of some revenues, certain extraordinary revenues and success in assessing revenues through focused attention on areas at higher risk of non-compliance.

In 2005/06, extraordinary revenues included greater than anticipated recoveries with the conclusion of audits of general corporations under the *Corporation Capital Tax Act*, increased property transfer tax recoveries reflecting a strong real estate market, and higher than expected incremental revenues from natural resource royalties due to strong economic performance in the oil and gas sector. In addition, the ministry recorded lower than anticipated revenue refunds from taxpayer requests. However, extraordinary incremental assessments have declined over the past four years due to success in identifying outstanding revenues in areas of highest risk of non-compliance.

Incremental revenues have been gradually decreasing over the last few years and the ministry expects this trend to continue. Continued decreases reflect changes in the tax regime, the wrap-up of special compliance projects and increased voluntary compliance with

financial obligations. The ministry will continue to focus audit and compliance activities on areas assessed at higher risk of non-compliance, and the implementation of the new forest audit program.

Beginning in 2006/07, the ministry will report on both the percentage of the incremental revenue target achieved and the dollar value as set out in the *Balanced Budget Ministerial Accountability Act*.

Number of reviews and audits and reviews performed.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Results
Number of reviews and audits performed. ¹	194,104	184,441	187,749	168,000	189,856	Exceeded Target

Source: Ministry of Small Business and Revenue business information systems.

¹ Reviews and audits vary from the review of grant claims, tax expenditures and exemptions and compliance with legislation, to the examination of financial records and legal documents.

Importance

This measure reports on the number of reviews and audits performed under the tax and royalty statutes the ministry administers. It provides an indication of the level of effort the ministry is employing to ensure British Columbians receive the revenue they are due. Maintaining an effective audit and compliance program allows the ministry to identify and collect outstanding amounts owed to government and ensure a level playing field for the vast majority of British Columbians who voluntarily comply with their financial obligations.

Explanation of performance

The ministry performed 189,856 reviews and audits in 2005/06, exceeding the target. This success reflects the ministry's efforts to ensure adequate review and audit activities across the broad spectrum of tax statutes the ministry administers. Performance in 2005/06 is in line with achievements in the past three years.

Changes to the tax regime — for example, the phasing out of Corporation Capital Tax for general corporations — will mean the reallocation of some auditors to new portfolios, providing an opportunity to focus on other areas of non-compliance. The ministry will establish new targets for the next three years.

Average tax assessment per audit position.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Results
Average tax assessment per audit position.	\$1.1 M (\$632,000) ¹	\$924,000 (\$646,000) ¹	\$889,000 (\$667,000) ¹	\$525,000	\$888,000 (\$802,000) ¹	Exceeded Target

Source: Ministry of Small Business and Revenue business information systems.

¹ The annual tax assessment per audit position normalized to remove extraordinary recoveries. Extraordinary recoveries include unanticipated and one-time incremental revenue.

Importance

This measure reports on the average amount of incremental revenue identified through reviews and audit assessments, per audit position. It is an indication of the effectiveness of the audit and compliance program in targeting review and audit activities on areas of non-compliance. This measure demonstrates the balance between the resources allocated to the audit and compliance program and the revenue the program recovers for government. The identification of incremental revenue supports the collection of all outstanding amounts owed to government.¹⁸

Explanation of performance

The ministry exceeded its target. Within the ministry, there is a wide variance in the assessment per audit position based on the type of review or audit performed. Details in the table above reflect performance at the ministry level. Performance exceeded target even though the ministry did not make significant changes in resources dedicated to this program. Performance is also on par with the past three years.

Future performance targets will reflect the adjustments to be made to incremental revenue targets.

Debt collections.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Results
Debt collections.	\$357.9 M	\$348.4 M	\$337.5 M	\$324.0 M	\$349.8 M	Exceeded Target

Source: Ministry of Small Business and Revenue business information systems.

Importance

This measure reports on the amount of debt recovered through the ministry's debt collection activities. It is an indicator of the effectiveness of the ministry's activities in collecting its portfolio of overdue accounts. Debt collection contributes to the recovery of revenue owed to government and to the ministry's success in achieving Goal 4.

¹⁸ This measure is used to assess overall and average ministry activity for the purposes of setting strategic direction and expenditure/resource allocation. It is not used to monitor individuals' performance.

Explanation of performance

The ministry exceeded its debt collection target, collecting \$349.8 million in overdue accounts receivable. Higher than expected debt recoveries were realized in both tax and non-tax portfolios. In part, this reflects the relationship between the amount of incremental revenue assessed by the ministry and the level of debt collection activity the ministry undertakes. Higher than anticipated incremental revenue leads to more active debt collection to recover amounts identified as owed to government.

The ministry's success was supported by earlier collections intervention, the dedication of additional resources to the collection of non-tax portfolios, and focusing resources on higher risk debt portfolios. The ministry's overall success also reflects the positive impact of a strong economy.

Over the next three years, more effective business processes, the consistent application of early intervention across collection portfolios and the transfer of debt portfolios from other ministries to the Ministry of Small Business and Revenue will positively impact on debt collection results. However, over time, the trend will be one of decline as there will be less debt to collect and increased voluntary compliance.

Beginning in 2006/07, the ministry will report on both the amount of debt collected and the percentage of overdue accounts collected. This new measure better demonstrates the ministry's success in managing the accounts receivable portfolio. A baseline and targets will be established in 2006/07, and reporting will begin in 2007/08.

Average recovery per tax collection position.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Results
Average recovery per tax collection position. ¹	\$4.9 M	\$4.3 M	\$3.9 M	\$3.29 M	\$3.56 M	Exceeded Target

Source: Ministry of Small Business and Revenue business information systems.

¹ In 2005/06, debt collection for tax portfolios comprised over 60 per cent of all debt collections. Non-tax debt collections are managed by the ministry's private sector service provider and are excluded from this measure, but included in the ministry's debt collection results.

Importance

This measure reports on the average debt recovery per tax collection position. It is a measure of the effectiveness of the ministry's collections program in recovering outstanding tax revenue for government.¹⁹

¹⁹ This measure is used to assess overall and average ministry activity for the purposes of setting strategic direction and expenditure/resource allocation. It is not used to monitor individuals' performance.

Explanation of performance

In 2005/06, the ministry achieved an average recovery of \$3.56 million per tax collection position, exceeding the ministry target of \$3.29 million. The ministry exceeded its target due to strong collections performance across the majority of tax debt portfolios without a significant change in resources dedicated to this program. Ministry efforts have lowered the outstanding tax accounts receivable by \$22 million from \$87 million in 2004/05 to \$65 million in 2005/06.

Beginning in 2006/07, this measure will be monitored internally.

Percentage of total government accounts receivable more than 90 days overdue.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Results
Percentage of total government accounts receivable more than 90 days overdue. ¹	40%	40%	35%	41%	34%	Exceeded Target

¹ Data is provided by the Office of the Comptroller-General.

The calculation of results for fiscal 2005/06 is consistent with prior years. However, starting in fiscal 2005/06, the ministry included revenues earned but not yet due for payment in its accounts receivable information as noted in the Explanation of Performance section, but this change is not reflected in the above table.

Importance

This measure reports on the percentage of debt owed to government that is over 90 days past due. As debt collection success tends to decrease as the debt ages, the ministry and government as a whole work to reduce the percentage of government accounts receivable more than 90 days past due. Collection of aged debt contributes to improved debt recovery and reduced bad debt expenses. Currently, the ministry is either accountable for, or manages, a portion of the total government accounts receivable over 90 days overdue. The ministry's success in reducing the overdue debt under its administration contributes to improvement in government's overall performance.

Explanation of Performance

The percentage of total government trade accounts receivable more than 90 days past due was 34 per cent in 2005/06, exceeding the target. This is an improvement from 35 per cent in 2004/05.

The following provides an overview of the ministry's collection success for both tax and non-tax portfolios, contributing to the overall government performance for this measure. Refer to *Figure 4*.

The total trade accounts receivable²⁰ of government is \$2.671 billion of which the ministry is accountable for \$1.722 billion (64.5 per cent). The ministry's accounts receivable include both tax accounts receivable (\$1.009 billion) resulting from the tax statutes administered by the ministry, and non-tax accounts receivable (\$713 million) the ministry manages on behalf of other ministries.

Ministry tax accounts receivable over 90 days past due decreased by 32 per cent, from \$65 million in 2004/05 to \$44 million in 2005/06. These receivables represent approximately 5 per cent of total tax receivables.

As of December 2004, the management of the majority of non-tax receivables transitioned to the ministry's private sector service provider. Over the past year, total non-tax accounts receivable over 90 days past due decreased by approximately 2 per cent, from \$448 million in 2004/05 to \$440 million in 2005/06. Over 90 days past due receivables represent almost 62 per cent of non-tax total receivables. This reflects that, with the exception of the Medical Services Plan premiums, most portfolios are received for collection when they are more than 90 days overdue.

The ministry's improvement in both total accounts receivable and those over 90 days past due are a result of its successful debt collections program and the identification of some longstanding debts as uncollectible. The ministry's efforts to clean up debts accumulated over several years will continue in 2006/07.

²⁰ Trade accounts receivable include accounts for which revenue has been earned but is not yet due for payment. It excludes loans and advances, or debt due from other governments.

Figure 4: Government Accounts Receivable, 2004/05 – 2005/06.

Total Government Receivables 2005/06: \$2.671 B 2004/05: \$2.527 B			
Total Ministry of Small Business and Revenue accounts receivable¹ 2005/06: \$1.722 B 2004/05: \$1.668 B			
Tax accounts receivable managed by the Ministry of Small Business and Revenue 2005/06: \$1.009 B 2004/05: \$899 M		Non-tax accounts receivable managed by the Ministry of Small Business and Revenue and the ministry's private sector service delivery provider 2005/06: \$713 M 2004/05: \$769 M	
Accrued/Not Yet Due 2005/06: \$944 M 2004/05: \$812 M		Accrued/Not Yet Due 2005/06: \$104 M 2004/05: \$131 M	
Less than 90 days 2005/06: \$21 M 2004/05: \$22 M	Over 90 days 2005/06: \$44 M 2004/05: \$65 M	Less than 90 days 2005/06: \$169 M 2004/05: \$190 M	Over 90 days 2005/06: \$440 M 2004/05: \$448 M
Managed by other government ministries and agencies			

¹ Accounts receivable includes revenue earned but not yet due.

Goal 5: Fair, efficient and equitable administration that meets customers' needs.

The ministry is committed to improving its regulatory and administrative frameworks. The ministry is focused on simplifying, streamlining and enhancing the fairness of the ministry's regulatory environment, tax legislation and administrative processes to support improved customer service.

Provincial tax legislation and policy, and the regulatory environment are factors that can influence the competitiveness of the province's investment climate compared to other jurisdictions. A current and customer-centered tax regime and regulatory environment assists in maintaining the competitiveness of the province as a place to live, do business and create jobs. In this regard, the ministry implemented the British Columbia Provincial Sales Tax Review (refer to Highlights; page 8) and is committed to easing the administrative burden on taxpayers by streamlining current business processes in support of the government's Regulatory Reform initiative. Refer to Regulatory Reform (page 59).

The ministry is also focusing on improving administrative processes to support excellence in customer service. A specific focus for the ministry is reducing the time it takes to resolve an appeal by a taxpayer, and reviewing the property assessment and appeal processes to identify customer service improvements, and streamline and simplify existing processes.

Achievement of Goal 5 will ease the administrative burden on customers, enhance the business climate within British Columbia, and improve customer service and ministry efficiency. This goal contributes to the achievement of the government's Great Goal to create more jobs per capita than anywhere else in Canada, and the government-wide citizen-centred service initiative.

Core Business Areas: Small Business and Regulatory Reform, Revenue Programs, Revenue Services, Property Assessment Services, Executive and Support Services.

Objective 1: Improve the tax and property assessment appeals processes for administrative fairness and due process.

Statutes under the administration of the ministry allow taxpayers to appeal a tax or property assessment, rejected tax refund or a decision of the tax commissioner or administrator. This objective reflects the ministry's commitment to provide taxpayers and property owners with an impartial, fair and timely resolution to their appeals of tax and property assessments, directly supporting the achievement of Goal 5.

Strategies and Results

The ministry works to provide fair and equitable administration through the following strategies:

Improve legislative, regulatory and administrative frameworks to support a competitive business climate and improved customer service.

- Review the provincial sales tax (PST) to make the tax fairer, more streamlined and easier to understand for taxpayers.
- Meet challenging tax appeals resolution targets by identifying and implementing process improvements and ensuring the allocation of adequate resources to support timely resolution. The ministry resolved 647 appeals and shortened the time it takes to resolve appeals from an average of 12 months in 2004/05 to an average of 5.7 months in 2005/06.
- In 2005/06, the ministry amended the *Assessment Act* to allow for recognition of circumstances, which significantly alter the value of property due to catastrophic events. Amendments provided assessors with greater discretion to recognize damage to improvements, which may significantly devalue the property. The ministry also amended its regulations to recognize campgrounds as recreational property providing some tax relief to campground operators.

Improve customer service, including streamlining and simplifying the property assessment appeals processes.

- In 2005/06, the ministry enhanced the ability of members of the Property Assessment Review panel to provide fair and effective deliberations and enhanced customer service when dealing with property assessment complaints with an upgraded training and educational package.
- The ministry reviews the location and number of Property Assessment Review Panels on an ongoing basis to ensure property owners have their property assessment complaints heard in, or near their home community.
- For the first time in 2006, property owners were able to file complaints to the Property Assessment Review Panels online.
- The ministry has also identified the need for educational and instructive material explaining the property assessment complaint and appeal process. This will be addressed in the 2006/07.
- The ministry initiated a review of the property assessment and appeal process as part of a broader review of BC Assessment. A key focus of the review is to identify customer service improvements, such as increased transparency, and opportunities to streamline and simplify processes for taxpayers. Recommendations for changes to policy and legislation will be introduced in spring 2007.

Support the government-wide regulatory reform initiative.

Maintain a zero per cent increase in Ministry of Small Business and Revenue regulatory burden through 2008/09.

- Progress on regulatory reform initiatives specific to the ministry can be viewed on page 59.

Performance Measures and Results

Tax appeals resolution — elapsed time from receipt of tax appeal to final decision.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Results
Tax appeals resolution — elapsed time from receipt of tax appeal to final decision.	11.4 Months	11.7 Months	12.0 Months	6.0 Months ¹	5.7 Months	Exceeded Target

Source: Ministry of Small Business and Revenue business information systems.

¹ The calculation procedure for this measure was changed in 2005/06. The calculation of the elapsed time from receipt of appeal to final decision no longer includes the days when an appeal file is put on hold due to reasons beyond the ministry's control, for example, when a taxpayer has requested an extension to submit further information to support their appeal.

Importance

This measure tracks the ministry's success in providing timely resolution to taxpayer appeals. It reports on the average time taken to resolve tax appeals (from receipt to final decision) over the course of the fiscal year.

This measure demonstrates the ministry commitment to meeting taxpayers' expectations regarding the timeliness of service they receive from the ministry. Business organizations indicated their support for this measure. As a result, this measure is one of 12 service excellence standards set out in the *Taxpayer Fairness and Service Code*. Refer to Appendix H.

Explanation of Performance

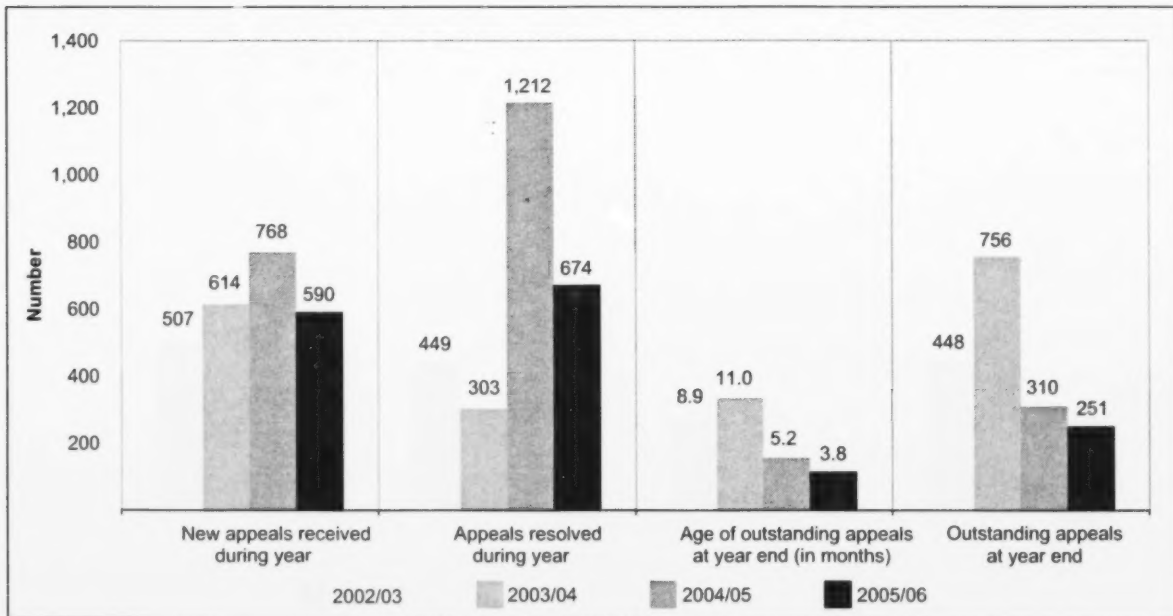
In 2005/06, the ministry exceeded its appeals resolution target — on average, appeals were resolved in 5.7 months (from receipt of an appeal to final decision). On an individual basis, the length of time to resolve an appeal varies dependent on such factors as the number and complexity of issues raised, facts of the case, and availability of all relevant information. The ministry's success was aided by the work completed in 2004/05²¹ to reduce the significant backlog of appeals, and the allocation of two additional FTEs to the appeals management process in 2005/06.

The ministry continued to improve its performance on a number of fronts. It has decreased both the number and age of outstanding appeals compared to the previous three years. Six hundred and forty-seven appeals were resolved, an achievement second only to performance in 2004/05, and significantly greater than performance in 2003/04 and 2002/03. Refer to Figure 5.

²¹ In 2004/05, the ministry implemented a project to reduce the backlog of outstanding appeals. Significant additional resources were temporarily committed to the appeals management process and streamlined work processes were implemented. At the end of 2004/05, the average age of outstanding appeals had been reduced from 11 months to 5.2 months. These efforts positioned the ministry for success in meeting a significantly more challenging appeals resolution target for 2005/06.

The ministry continues to set aggressive targets for the resolution of tax appeals over the next three years — 5.0 months in 2006/07, and 4.5 months in 2007/08 and 2008/09. The goal is to resolve appeals as quickly as possible without compromising the quality and fairness of decisions. These aggressive targets respond directly to taxpayers' expectation of timely service. However, the ministry recognizes there may be challenges in meeting these targets, such as a significant increase in the complexity or number of appeals.

Figure 5: Appeals Administration Process Measures, 2002/03 – 2005/06.



Goal 6: Continuous performance improvement and accountability.

The ministry is committed to service excellence. This means the ministry will provide services that meet the needs of its diverse customers, stakeholders and partners.

The *Taxpayer Fairness and Service Code* formalizes the ministry's commitment to fairness and service principles that can be expected when dealing with the ministry.

The ministry is also responsible for creating a 'centre of excellence' for tax administration and revenue management for the Province. The ministry continues to strive for improved business performance. This means encouraging creative and innovative solutions.

This goal supports the achievement of all ministry goals and its mandate by ensuring efficient and effective business operations. It also reflects the ministry's commitment to government's core values of fiscal responsibility and accountability, and to the government-wide citizen-centred service initiative.

The ministry identified two key initiatives related to this goal — develop performance measures and service excellence standards to address the commitment set out in the *Taxpayer Fairness and Service Code*, and implement a new Revenue Management System. Significant progress was made on both of these initiatives during 2005/06; refer to Strategies and Results following.

Core Business Areas: Small Business and Regulatory Reform, Revenue Programs, Revenue Services, Property Assessment Services, Executive and Support Services.

Objective 1: Continuously improve, streamline and simplify work processes.

Key to achieving this goal is the ministry's focus on continuously improving the way it operates and delivers its programs and services. This includes streamlining and simplifying the way the ministry does its work to ensure it supports improved customer service, while making the most efficient use of resources.

Strategies and Results

Leverage capacity and economies of scale to increase efficiency. Assess and adopt leading revenue management practices.

- In 2004, the Province of British Columbia signed a 10-year agreement with EDS Advanced Solutions Inc. (private sector service provider) to work with the Ministry of Small Business and Revenue to build and operate a 'centre of excellence' for revenue management. The agreement will generate projected net benefits of \$382 million to the Province over the 10 year period and leverage private sector expertise, technology and investment capital. The agreement transfers the up-front investment and project implantation risk of building the centre of excellence from the Province to the service provider.
- Over the first year of operations, the ministry's private sector service provider implemented significant service and business process improvements, resulting in more citizen-centered service delivery. Improved technology and additional staffing during peak hours handled increased customer call volumes, provided faster telephone response times, and resulted in fewer customers abandoning their call or reaching a busy signal before accessing a customer service representative.
- The ministry worked with the service provider to transform and streamline revenue management business processes, and establish consistent application of collection guidelines and principles to provide clear information, and increase fairness and equity for customers.¹

Implement a new Revenue Management System that transforms and consolidates revenue management systems from across government into the new centralized system.

- Substantial work was completed on the Revenue Management System in 2005/06 with phase 1 of the system implemented in April 2006. The ministry will now begin working with client ministries to transition their revenue management systems to this centralized system.

Compare ministry performance with other jurisdictions.

- The ministry worked with the federal government and other provincial jurisdictions to explore benchmarking revenue management performance measures. In 2006/07, the ministry will work with interested agencies to develop a community of practice and share best practices in performance management. Refer to Appendix G.

Develop performance measures and service excellence standards to address the commitments set out in the *Taxpayer Fairness and Service Code*.

- In October 2005, the ministry introduced 12 service excellence standards to monitor timeliness and accessibility of ministry services. These service standards are included in the 2006/07 – 2008/09 Service Plan and reporting will begin in 2006/07. Refer to Appendix H.

¹ For further information, view the *Revenue Services of British Columbia Annual Report: December 2004 to December 2005* online at http://www.sbr.gov.bc.ca/rsbc/Annual_Report-2005.pdf.

Performance Measures and Results

Receipt to deposit turnaround time.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Results
Receipt to deposit turnaround time. ¹	New measure in 2003/04	3 Days	2 Days	95% on Same Day ¹	89% on Same Day	Missed Target

Source: Ministry of Small Business and Revenue business information systems.

¹ This measure reports on receipt to deposit turnaround time for provincial sales tax and Medical Services Plan premium payments received by cheque, which represent 77 per cent of all cheques processed. The monitoring of other non-electronic payment types are excluded as they represent less than one per cent of these payments. Electronic payments are excluded as they are automatically deposited into the government's account.

Importance

This measure tracks the duration between when payment enters payment processing and when it is deposited to the government's account. This is a measure of the efficiency of the ministry's cash handling processes. Decreasing the deposit turnaround time demonstrates improvements to these processes and reduces the foregone interest income to government.

Explanation of Performance

The ministry fell short of its target of depositing 95 per cent of provincial sales tax and Medical Services Plan premium payments on the day received. At the end of 2005/06, the ministry was achieving an average one day turnaround time for deposits for 89 per cent of payments. This performance represents a significant improvement over 2004/05 and was enabled by the introduction of a new payment processing system in the last quarter of 2005/06. It is expected this new system will allow the ministry to achieve a same day turnaround in 2006/07.

Beginning in 2006/07, this measure will be monitored internally.

Cost per transaction.**Cost to collect \$1 of debt.**

Performance Measures	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Results
Cost per transaction.	New measure in 2003/04	\$0.82	\$0.68	\$0.75	—	Not Reported ¹
Cost to collect \$1 of debt.		New measure in 2004/05	\$0.05 (\$0.024) ²	\$0.06	\$0.05 (\$0.029) ²	New Baseline Established ¹

Source: Ministry of Small Business and Revenue business information systems.

¹ The ministry has transitioned payment/transaction processing and non-tax collections functions to a private sector service provider where the terms of the contract provide for payment on a consolidated, transformed suite of services, not on a service by service basis. Therefore, the ministry will not be reporting on cost per transaction, and has revised the cost to collect \$1 of debt measure to include only the tax-collection portfolios managed by ministry staff.

² The ministry revised this measure in 2005/06. The measure now reports on cost to collect \$1 of debt for tax portfolios. Performance for 2004/05 has been provided for comparison.

Importance

The ministry is committed to maintaining efficient processes and procedures to collect debt owed to government. The ministry calculates and reports on the cost to collect \$1 of tax debt. Decreasing costs indicate the ministry's collection processes and procedures are becoming more efficient and effective.

Explanation

In 2005/06, it costs the ministry an average of \$0.029 to collect \$1 of tax debt. This was marginally higher than the cost recorded in 2004/05. This minor increase is primarily due to lower debt collections for tax portfolios compared to 2004/05 with no significant change in resources dedicated to collection activities, leading to a higher cost per dollar collected.

In future years, ministry efforts will focus on more difficult to collect debt, which will likely increase the cost to collect \$1 of debt. Beginning in 2006/07, this measure will be monitored internally.

Regulatory Reform

The ministry remains committed to easing the administrative burden on taxpayers by streamlining and reviewing current business processes in support of the government's Regulatory Reform initiative. Since the start of the initiative in June 2001, the ministry has eliminated over 2,700 regulatory requirements. In 2005/06, the ministry met the target of a zero per cent net increase over its June 2004 regulatory count.

In 2005/06, the ministry focused efforts on several citizen-centred regulatory reform initiatives:

- The ministry launched the British Columbia Provincial Sales Tax Review, a comprehensive review of the province's *Social Service Tax Act* to identify potential reforms to maintain or enhance British Columbia's tax competitiveness. This review focuses on the development of revenue neutral options for changes to provincial sales tax policies, legislation and related administrative processes to streamline, simplify, and enhance fairness for taxpayers.
- The ministry initiated work to consolidate the number of interest rate schedules used for the calculation of interest on the late payment of financial obligations and eliminate the variance in grace periods. When completed, all tax acts will have the same grace period and only one interest rate will be used to calculate penalties. The application of consistent policies and procedures reduces confusion, and increases fairness and equity for taxpayers.
- The ministry implemented legislative changes to reduce the regulatory and reporting burden on oil producers, increase the accuracy of returns, and facilitate electronic delivery of oil royalty information. Instead of filing a report with the ministry for each oil well in production, oil producers are now able to file one report for their entire operation. As a result, the number of reports the industry is required to file monthly with the ministry has been reduced from 380 individual reports to 75. In addition, the introduction of electronic filing has reduced administrative burden on both the producers and ministry, and increased the accuracy of the information provided with the elimination of multiple manual steps from the process.
- Regulatory burden has also been reduced for the gas industry by simplifying royalty estimate procedures. Simplified reporting requirements have been put in place to bring British Columbia in line with Alberta and maintain a competitive regulatory climate.

Report on Resources

The Report on Resources provides an overview of ministry funding and expenditures during 2005/06, and provides comparisons to past years, as appropriate. This section also provides a Resource Summary for 2005/06 by core business area.

Ministry Funding

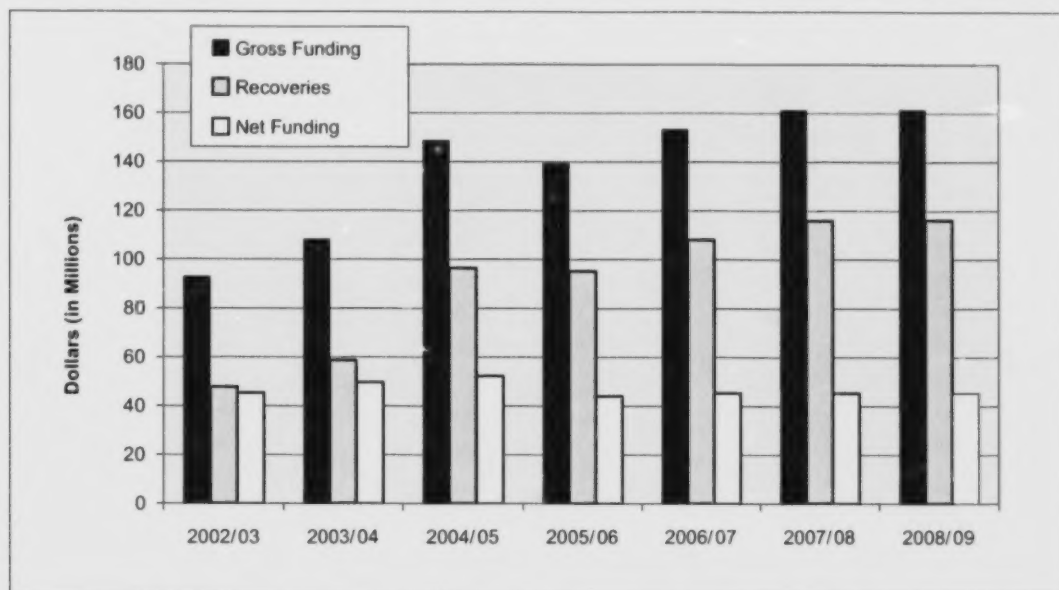
Total funding available for ministry operations in 2005/06 was \$139.4 million. Refer to Resource Summary on page 64. The sources of ministry voted funding included:

- An appropriation of \$44.0 million.
- Recoveries of \$95.4 million. Ministry costs are partially recovered from revenues administered by the ministry (refer to Appendix D).

From 2002/03 to 2005/06, the ministry's estimates for gross expenditures increased from approximately \$98 million to \$139 million primarily due to the Revenue Management Project, new staffing resources, other operating costs including commissions on collection of public debt and interest on revenue refunds, and the addition of new programs related to the establishment of the new Ministry of Small Business and Revenue. Refer to *Figure 6*.

Estimates provided in the 2006/07 – 2008/09 Service Plan for the next three year period indicate a slight increase in both gross expenditures and recoveries primarily due to the projected increases in revenue and debt collection resulting from the Revenue Management Project and the projected sharing of these realized benefits with EDS Advanced Solutions Inc. Net expenditures are projected to remain stable over this period.

Figure 6: Comparison of Gross Funding, Recoveries and Net Funding, 2002/03–2008/09.



Source: 2002/03–2005/06 amounts correspond to the *Estimates* presented in the Legislative Assembly. 2006/07–2008/09 amounts are as reported in the ministry's 2006/07–2008/09 Service Plan.

Ministry Expenditures

Ministry operating expenditures during 2005/06 totaled almost \$139.0 million of which \$95.3 million was recovered from revenues administered by the ministry. Refer to Resource Summary.

Ministry expenditures included:

- Salaries and benefits totaled \$57.8 million accounting for 41.6 per cent of annual expenditures.
- Non-salary operating costs of \$76.5 million accounted for 55.0 per cent of annual expenditures.
- Other expenses (e.g., interest expense, banking charges) accounted for \$3.3 million or 2.4 per cent of expenditures.
- Government transfers totaled \$1.3 million, accounting for less than one per cent of expenditures.

Capital expenditures in 2005/06 totaled almost \$40.1 million, including \$36.7 million²² for the Revenue Management Project and \$3.4 million for other ministry capital projects.

²² Ministry received capital contingencies of \$5.3 million for the Revenue Management System capital lease liability.

The ministry made financing and transaction disbursements during 2005/06 totaling \$971.3 million. These disbursements, directed by legislation, return a percentage of specific revenue to identified entities.

The gross expenditures in 2005/06 increased by \$8.3 million compared to 2004/05 due primarily to the Revenue Management Project and the establishment of the new Ministry of Small Business and Revenue, which consolidated the former Ministry of Provincial Revenue with areas of responsibility related to small business development, regulatory reform and provincial property assessment and appeal processes. Refer to *Figure 8*.

Ministry Revenue

The revenues managed by the ministry amounted to approximately \$20.6 billion in 2005/06 or 58 per cent of all revenue received by the Province (refer to *Figure 7*). Revenues include:

- consumption taxes (provincial sales, hotel room, motor fuel and tobacco);
- property taxes (rural property, provincial school and property transfer)
- other taxes (corporation capital, insurance premiums, and logging);
- personal and corporate income tax collected by the Canada Revenue Agency on behalf of the Province;
- natural resource revenues (natural gas royalties, petroleum royalties, permits and fees, and mineral taxes and royalties) and;
- Medical Services Plan premiums and other fees (e.g., ruling fees, clearance certificates).

Revenue has increased over the past four years: \$15.4 billion (2002/03), \$17.0 billion (2003/04), \$18.4 billion (2004/05) and \$20.6 billion (2005/06).

Figure 7: 2005/06 Revenue by Type.

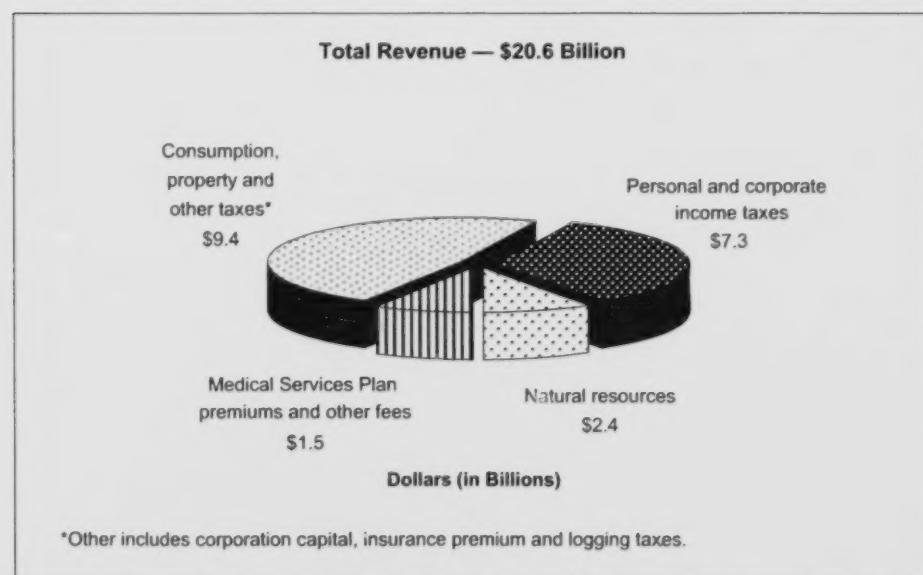


Figure 8: Expenditures 2002/03 – 2005/06.

Core Business Area	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Actual
Operating Expenses (\$000)				
Small Business and Regulatory Reform¹				
Gross.....	—	—	—	2,914
Recoveries.....	—	—	—	—
Net.....	—	—	—	2,914
Revenue Programs				
Gross.....	38,593	49,688	54,636	41,100
Recoveries.....	(37,827)	(47,212)	(49,593)	(26,609)
Net.....	766	2,476	5,043	14,491
Revenue Services				
Gross.....	8,764	13,157	13,982	55,479
Recoveries.....	(8,418)	(12,656)	(13,320)	(43,616)
Net.....	346	501	662	11,863
Property Assessment Services¹				
Gross.....	—	—	—	2,437
Recoveries.....	—	—	—	(2,436)
Net.....	—	—	—	1
Executive and Support Services				
Minister's Office.....	332	349	361	374
Corporate Services:				
Gross.....	36,630	46,845	61,686	36,658
Recoveries.....	—	(1,390)	(21,900)	(22,640)
Sub-Total Net.....	36,630	45,455	39,786	14,018
Net.....	36,962	45,804	40,147	14,392
Total Gross.....	84,319	110,039	130,665	138,962
Total Recoveries.....	(46,245)	(61,258)	(84,813)	(95,301)
Total Net.....	38,074	48,781	45,852	43,661

Source: Amounts correspond to the Public Accounts for the years noted.

¹ The Small Business and Regulatory Reform and Property Assessment Services business areas became part of Ministry of Small Business and Regulatory Reform when it was established in June 2005. The remaining business areas constituted the former Ministry of Provincial Revenue.

Resource Summary 2005/06

	Estimated ¹	Other Authorizations ²	Total Estimated	Actual	Variance ³
Operating Expenses (\$000)					
Small Business and Regulatory Reform					
Gross	1,205		1,205	2,914	1,709
Recoveries ⁴	—		—	—	—
Net	1,205		1,205	2,914	1,709
Revenue Programs					
Gross	44,979		44,979	41,100	(3,879)
Recoveries ⁴	(26,609)		(26,609)	(26,609)	—
Net	18,370		18,370	14,491	(3,879)
Revenue Services (includes special account)⁵					
Gross	52,079		52,079	55,479	3,400
Recoveries ⁴	(43,616)		(43,616)	(43,616)	0
Net	8,463		8,463	11,863	3,400
Operating Expenses (\$000)					
Property Assessment Services					
Gross	2,508		2,508	2,437	(71)
Recoveries ⁴	(2,507)		(2,507)	(2,436)	71
Net	1		1	1	—
Executive and Support Services					
Minister's Office	430		430	374	(56)
Corporate Services					
Gross	38,185		38,185	36,658	(1,527)
Recoveries ⁴	(22,640)		(22,640)	(22,640)	—
Net	15,545		15,545	14,018	(1,527)
Total Gross	139,386		139,386	138,962	(424)
Total Recoveries⁴	(95,372)		(95,372)	(95,301)	71
Total Net	44,014		44,014	43,661	(353)
Full-time Equivalents⁶ (FTEs)					
Small Business and Regulatory Reform	9		9	11	2
Revenue Programs	526		526	494	(32)
Revenue Services	131		131	120	(11)
Property Assessment Services	13		13	14	1
Executive and Support Services	180		180	180	—
Total	859		859	819	(40)

	Estimated ¹	Other Authorizations ²	Total Estimated	Actual	Variance ³
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)					
Revenue Programs	0		0	138	138
Revenue Services	21,348	5,315	26,663	36,650	9,987
Property Assessment Services	96		96	0	(96)
Executive and Support Services	13,335		13,335	3,306	(10,029)
Total	34,779	5,315	40,094	40,094	0
Other Financing Transactions⁷ (\$000)					
Revenue Programs					
Receipts.....	983,500	565	984,065	957,768	(26,297)
Disbursements.....	985,100	6,282	991,382	971,273	(20,109)
Net Cash Source (Requirements)	(1,600)	(5,717)	(7,317)	(13,505)	(6,188)
Special Accounts — Provincial Home Acquisition Wind Up⁵					
Receipts.....	50		50	133	83
Disbursements.....	40		40	0	(40)
Net Cash Source (Requirements)	10		10	133	123
Total Receipts	983,550	565	984,115	957,901	(26,214)
Total Disbursements	985,140	6,282	991,422	971,273	(20,149)
Total Net Cash Source (Requirements)	(1,590)	(5,717)	(7,307)	(13,372)	(6,065)

¹ The "Estimated" amount corresponds to the *Estimates* as presented to the Legislative Assembly in September 2005.

² "Other Authorizations" include Supplementary Estimates, Statutory Appropriations and Contingencies. The ministry received a capital contingency of \$5.3 million for costs related to the Revenue Management Project.

³ Variance display convention is consistent with the display convention used in public accounts. Variance is in all cases "Actual" minus "Total Estimates". If the Actual is greater, then the Variance will be displayed as a positive number.

⁴ Costs are partially recovered from revenues administered by the ministry under the statutes listed in Appendix D.

⁵ This account is established under the *Special Appropriation and Control Act* effective April 1, 2004, for the purpose of providing for expenditures for the winding up of the loan and financial assistance programs under the *Home Conversion and Leasehold Loan Act*, the *Home Mortgage Assistance Act*, the *Home Purchase Assistance Act*, the *Homeowner Interest Assistance Act* and the Provincial Home accounts and guarantee claims paid under the mortgage assistance programs.

⁶ FTEs — fulltime equivalent employment is the estimate of a ministry's annual staff utilization. The term fulltime equivalent is defined as the employment of one person for one full year or the equivalent (for example, the employment of two persons for six months each).

⁷ Other Financing Transactions include disbursements by the Province under legislation to government entities. These include disbursements under the Internal Fuel Tax Agreement (*Motor Fuel Tax Act*), *Land Tax Deferment Act*, *British Columbia Transit Act*, *Transportation Act*, *Greater Vancouver Transportation Authority Act*, Rural Area Property Taxes, *Tobacco Tax Amendment Act*, Tourism British Columbia (*Hotel Room Tax Act*).

Variance Explanations

Overall, ministry variances are not material. However, several core business area variances are worthy of note.

Operating expense variances include:

- Small Business and Regulatory Reform — over expenditure due to additional FTE resources, funding to support the permanent Small Business Roundtable and grants provided to support entrepreneurship education programs.
- Revenue Programs Division — under expenditure of FTE resources due to staff vacancies.
- Revenue Services Division — primarily due to the benefits paid to the ministry's private sector service provider being larger than budgeted for the fiscal year reflecting performance in excess of baseline.
- Executive and Support Services — under expenditure primarily due to savings in amortization expenses.

Financing transactions resulted in disbursements exceeding receipts by approximately \$13.4 million primarily due to disbursements related to the *Land Tax Deferment Act*.

Annual Report Appendices

Appendix A: Glossary of Terms

Accounts receivable/debt — amounts claimed by the Province against debtors.

Tax assessment — a written notice from government of an amount owed to the Province. This notice represents monies that should have been remitted or paid to the Province, as well as, any penalty or interest charges imposed by the Province.

Billing — the act of notifying an individual or business of an amount owed to the Province.

Collections — remedial actions employed by the Province to effect a payment from an individual or business on an overdue account receivable.

Incremental revenue — monies identified by, or remitted in response to, audit and enforcement activities.

OneStop Kiosk — the ministry is a partner in the OneStop Business Registration, a web-enabled, electronic service delivery system designed to simplify government registration requirements for business owners. This service allows entrepreneurs to register with multiple participating federal and provincial public sector agencies and local governments through a 'single window'.

Overdue — an account receivable for which no monies have been remitted and is considered overdue according to the legislation at issue.

Recoveries — monies recovered in the course of administering accounts receivable.

Remittance — the payment of monies to meet a financial obligation.

Refund — return of monies remitted in error or in excess of an account receivable.

Revenue — all monies received to meet financial obligations or identified as owed to the Province.

Review and Audit — an examination of an individual's or business' financial records or accounts to ensure the amounts owed have been collected and remitted, or paid as required. This can vary from the review of grants, tax expenditure and exemptions and compliance with legislation, to the examination of financial records and legal documents.

Small business — a small business has fewer than 50 employees or is operated by a person who is self-employed without paid help.

Tax expenditure — the reduction in tax revenues that results when government programs or benefits are delivered through the tax system rather than reported as budgetary expenditures. Tax expenditures are usually made by offering special tax rates, exemptions or tax credits to program beneficiaries.

Transaction — the act of processing a cheque or scannable coupon for the purpose of applying payment to an account receivable.

Voluntary compliance — when taxpayers meet their financial obligations without requiring the Province to effect payment.

Appendix B: Ministry Contributions to the Government's Five Great Goals

The ministry's activities support the achievement of the government's Five Great Goals in the following ways:

Make British Columbia the best educated, most literate jurisdiction on the continent.

The ministry works with municipalities and local service areas to collect property taxes that pay for schools and libraries in communities across the province. The ministry administers a number of tax credits and exemptions that support literacy and access to education.

Lead the way in North America in healthy living and physical fitness.

The ministry collects Medical Services Plan premiums to assist in funding the health care system. It also administers tax exemptions that support British Columbians in living healthier, more active lives. For example, provincial sales tax exemptions are allowed for bicycles, and non-prescription drugs and vitamins.

Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk, and seniors.

The ministry administers tax benefit programs and exemptions on certain products used by seniors and persons with disabilities or special needs. Programs and exemptions include provincial sales tax exemptions on equipment and devices designed for use by a person with a disability, tax refunds for motor fuel for vehicles used by persons with disabilities, and additional home owner grants to seniors and disabled residents.

Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.

The ministry administers numerous tax exemptions for environmentally friendly products and projects. For example, some alternative fuel vehicles, such as hybrid vehicles, are eligible for a provincial sales tax exemption, as are prescribed materials and equipment used to conserve energy.

Create more jobs per capita than anywhere else in Canada.

The ministry contributes to job creation in British Columbia by:

- Working with other ministries, other levels of government, partners and the small business community to identify and implement initiatives to support small business.
- Building a regulatory environment to make dealing with government easier and more efficient for citizens and small business in British Columbia.
- Ensuring a streamlined, simplified and fair tax administration to make the business environment more competitive compared to other jurisdictions.

Appendix C: Service Delivery

Small Business

As many different ministries and levels of government have programs and services that impact the small business sector, the Ministry of Small Business and Revenue works with these organizations and other partners to support small business start-up and growth.

The ministry, on behalf of the Province and in partnership with the federal government, jointly funds Small Business BC, a not-for-profit organization providing support to current and prospective small business operators in British Columbia. Service delivery outcomes are determined through an annual contribution agreement.

Regulatory Reform

The ministry is responsible for leading the regulatory reform initiatives for government.

However, success is dependent on the efforts of all government ministries and agencies. Government ministries annually identify regulatory reform activities and report on performance in their Service Plan and Service Plan Report. The Ministry of Small Business and Revenue produces quarterly public reports on cross government regulatory requirements.

Tax Administration and Revenue Management

The ministry is the principal revenue collector for the Province, with administrative responsibility for \$20.6 billion in 2005/06 or approximately 58 per cent of all provincial revenues. The ministry's strategic focus is on promoting voluntary compliance with the financial obligations resulting from the legislation it administers and that defines the ministry's roles and responsibilities.²³ Successful tax administration and revenue management depend on the ministry's information and education programs to support voluntary compliance, balanced by compliance, audit and debt collection activities.

Citizen-centered Service Delivery

The ministry is committed to service excellence — providing timely, quality service to meet the needs of its diverse customers, stakeholders and partners. The ministry ensures service excellence in its day-to-day operations through the *Taxpayer Fairness and Service Code*. The ministry works to ensure the fairness and service principles outlined in the Code are embraced by those providing services for the ministry.

The ministry is currently working with BC Assessment to incorporate the principles of the *Taxpayer Fairness and Service Code* and service excellence into the property assessment functions.

The ministry also completed discussions with the Property Assessment Appeal Board to ensure there is a similar commitment to customer service in Board operations.

All employees of the ministry's private sector service provider have received training based on the *Taxpayer Fairness and Service Code*, supporting the ministry's commitment to a customer's right to timely customer service, courtesy, respect, fair treatment and confidentiality.

To ensure the ministry is delivering high quality services to British Columbians, the ministry has established consultative processes to provide effective forums to hear directly from customers. For example, the permanent Small Business Roundtable, the Revenue Programs Advisory Committee and the British Columbia Provincial Sales Tax Review consultations.

²³ Refer to Appendix D for a list of legislation administered by the Ministry of Small Business and Revenue.

The ministry represents British Columbia in its relationship with the Canada Revenue Agency (CRA), which administers the Province's personal and corporate income taxes under the authority delegated to the Government of Canada through the British Columbia-Canada Tax Collection Agreement (TCA). This arrangement allows a single administration and collection agency for provincial corporate and personal income taxes, thereby increasing efficiency and simplicity for the Province and taxpayers. Each year, a detailed British Columbia Work Plan is developed jointly by the ministry and the CRA. This work plan and the TCA help to ensure revenue due to the Province is identified and received.

The ministry also works with the Canada Border Services Agency, with respect to the *Social Service Tax Act* and the *Tobacco Tax Act* it administers on behalf of the ministry. The agency identifies and collects taxes due on purchases brought into the province by British Columbians. The ministry manages this relationship through an administrative agreement.

A Centre of Excellence for Tax Administration and Revenue Management

The Ministry of Small Business and Revenue provides revenue management services to other ministries. The ministry has implemented processes and accountabilities for transferring accounts receivable to the ministry to ensure continued high levels of service to its client ministries and their customers. The ministry also collects taxes and fees for other agencies such as the Greater Vancouver Transportation Authority, local service areas (for example, regional improvement districts) and local governments throughout the province. The ministry's relationship with these clients is managed through transfer and service agreements, and memoranda of understanding.

In late 2004, the ministry entered into an agreement with EDS Advanced Solutions Inc. for the management and delivery of information and technology services, and to work with the ministry to build and operate a centre of excellence for revenue management. The ministry manages the agreement through a benefits and performance-based service contract structured to ensure performance and service levels are sustained and improved.

Property Assessment and Review Processes

The Minister of Small Business and Revenue is accountable for BC Assessment, the Property Assessment Review Panel and the Property Assessment Appeal Board. The Minister is charged with the administration of the *Assessment Act* and the *Assessment Authority Act*.

BC Assessment²⁴ operates as an independent, provincial Crown Corporation governed by a Board of Directors. Its mandate is to establish and maintain uniform real property assessments, on an annual basis, for all property owners throughout British Columbia in accordance with the *Assessment Act*. The Minister reviews and approves the agency's annual three-year Service Plan and annual Service Plan Report.

The Property Assessment Review Panels and Property Assessment Appeal Board operate under the *Assessment Act*. The panels provide property owners in British Columbia with

²⁴ For more information, view online at <http://www.bcasessment.bc.ca/>.

a first level of appeal in an accessible, affordable and equitable forum. Year-end reviews identify opportunities for improvement to process and quality of customer service.

The Property Assessment Appeal Board operates as the second level of appeal for property owners who disagree with the assessment of their property. The Board's objectives are to resolve appeals justly and consistently, in accordance with the principles of procedural fairness and natural justice, and to complete appeals as quickly as possible, at minimum cost to all parties. The Board reports on performance to the Minister through quarterly and annual reports.

Appendix D: Legislation Administered by the Ministry

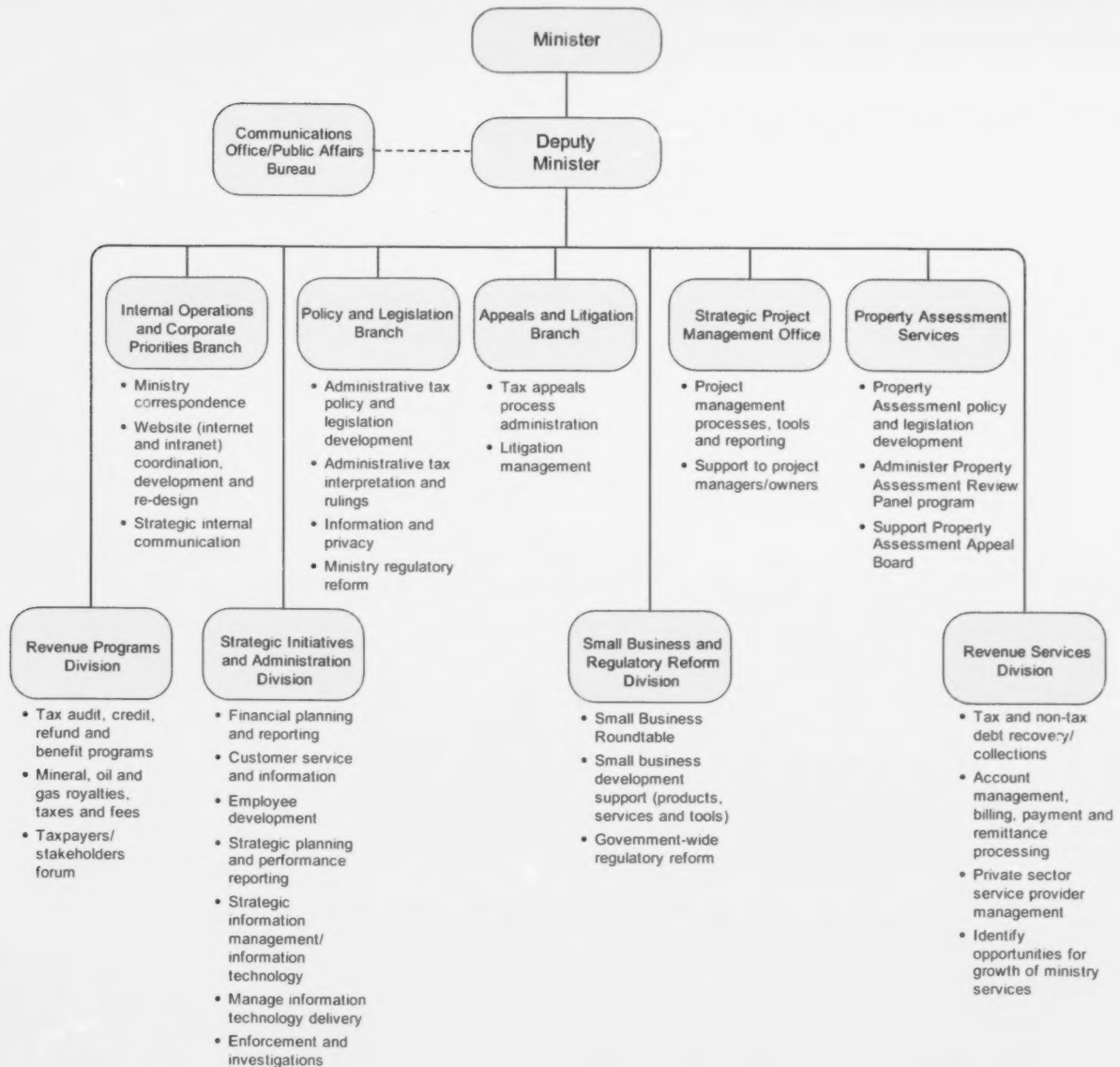
The Minister of Small Business and Revenue and Minister Responsible for Regulatory Reform is charged with the administration of the following enactments, presented alphabetically.

<i>Assessment Act</i>	<i>Medicare Protection Act ss. 5 (1) (b), 7 (5), 8 (4), 8.1, 8.2 and 32</i>
<i>Assessment Authority Act</i>	<i>Mining Tax Act</i>
<i>Corporation Capital Tax Act</i>	<i>Motor Fuel Tax Act</i>
<i>Esquimalt and Nanaimo Railway Belt Tax Act</i>	<i>Petroleum and Natural Gas Act ss. 74-77</i>
<i>Home Owner Grant Act</i>	<i>Property Transfer Tax Act</i>
<i>Hotel Room Tax Act</i>	<i>Sechelt Indian Government District Home Owner Grant Act</i>
<i>Income Tax Act</i>	<i>Social Service Tax Act</i>
<i>Indian Self Government Enabling Act</i>	<i>Taxation (Rural Area) Act</i>
<i>Insurance Premium Tax Act</i>	<i>Tobacco Tax Act</i>
<i>International Financial Activity Act</i>	<i>Tourist Accommodation (Assessment Relief) Act</i>
<i>Land Tax Deferment Act</i>	
<i>Logging Tax Act</i>	

The Minister of Small Business and Revenue and Minister Responsible for Regulatory Reform is charged with the administration of the following enactments, in areas related to revenue management processes only.

<i>Forest Act</i>
<i>Forest and Range Practices Act</i>
<i>Forest Practices Code of British Columbia Act</i>
<i>Forest Stand Management Fund Act</i>
<i>Ministry of Forests Act</i>
<i>Mineral Land Tax Act</i>
<i>Mineral Tax Act</i>
<i>Petroleum and Natural Gas Act</i>
<i>Range Act</i>
<i>School Act</i>
<i>South Moresby Implementation Account Act</i>
<i>Wildfire Act</i>

Appendix E: Ministry Organizational Structure and Key Responsibilities



Appendix F: Changes to Goals, Objectives, Performance Measures, and Targets

Since the publication of the 2005/06 – 2007/08 Service Plan Update, the ministry has undertaken a review of its goals, objectives and performance measures. The ministry has made changes to better focus the plan on:

- the ministry's service to the public;
- the key outcomes expected from ministry activities and;
- the few critical aspects of the ministry's performance of interest to the public, stakeholders and Members of the Legislative Assembly.

These changes are intended to improve service planning and performance reporting, and support increased accountability.

In summary, the ministry has moved from six goals to four. The following table provides the details of the changes made to goal statements and the resulting changes to the objectives aligned with these goals. There has been no significant change in strategic direction.

Former Goals, Objectives, and Strategies	Status	Reason for Change	New Goals, Objectives, and Strategies
Goal: Small business development.	Unchanged		
Objective: Facilitate economic opportunities for small business.	Reworded	More clearly identifies ministry accountability in the area of small business development.	Enhance and encourage economic opportunities for small business.
Goal: A regulatory climate that supports economic and business competitiveness.	Reworded	More clearly identifies ministry accountability in the area of regulatory reform.	Goal: A streamlined and simplified regulatory environment.
Objective: Improve regulatory quality.	Removed	Captured in a new performance measure — requirements to access government programs and services, and comply with regulations.	
Objective: Minimize the regulatory burden on British Columbians.	Unchanged		
Goal: Maximize voluntary compliance. Goal: Collection of all outstanding amounts owed to British Columbians.	Consolidated	Former goals were consolidated and reworded. The new goal better reflects the outcome expected from the ministry's tax administration and revenue management activities.	Goal: Amounts owed to government are paid.

Former Goals, Objectives, and Strategies	Status	Reason for Change	New Goals, Objectives, and Strategies
Objective: Individuals and businesses understand their entitlements and obligations, and pay the correct amount on time.	Unchanged	Individuals and businesses identified as 'customers'.	Customers understand their obligations and entitlements, and pay the correct amount on time.
Objective: British Columbians receive the revenue they are due.	Consolidated	Former objectives related to revenue and debt recoveries were consolidated and reworded. The new objective more concisely captures the outcome expected from the ministry's audit, compliance and debt collection activities.	Objective: The Province receives the outstanding amounts due.
Objective: British Columbians receive the debt recoveries they are due.			
Objective: Maximize use of new electronic technologies to facilitate ease of transactions.	Maintained as a strategy		
Goal: Continuous performance improvement and accountability.	Reworded	The new goal clarifies the ministry's commitment to service excellence. The continuous improvement aspect of the former goal is captured in strategies and the performance measures and targets related to ministry service excellence standards.	Goal: Service that meets the needs of customers, stakeholders and partners.
Objective: Continuously improve, streamline and simplify work processes.	Maintained as a strategy		
Goal: Fair, efficient and equitable administration that meets customers' needs.	Reworded and maintained as an objective	The new objective reflects the ministry's commitment to service excellence.	Objective: Fair and efficient administration, and quality service.
Objective: Improve the tax and property assessment appeals process for administrative fairness and due process.	Maintained as a strategy		

A summary of changes to the ministry's performance measures is provided below. Measures were removed from the Service Plan where a better performance measure has been identified or where the measure is focused on internal administrative matters primarily of interest to the ministry. Those measures removed from the Service Plan that continue to be of importance to the ministry will be monitored internally as part of a suite of measures the ministry uses to support decision-making. Measures included in the ministry's 2005/06 – 2007/08 Service Plan Update are reported in this Annual Service Plan Report.

Former Performance Measures	Status	Reason for Change	New Performance Measures
Established a small business roundtable.	Reworded	The new measure more accurately tracks performance towards the objective and measures the outcome expected from a key initiative underway in the ministry.	Implement a small business strategy.
Percentage of new legislation and regulations meeting regulatory reform criteria.	Removed	This measure will be monitored internally.	
Regulatory burden — Government-wide regulatory requirements.	Unchanged		
Requirements to access government programs and services, and comply with regulations.	New	The new performance measure will track government-wide efforts to streamline and simplify access to government programs and services, and reduce the steps required to comply with regulations. The measure will be developed and a baseline established in 2006/07. Performance reporting will begin in 2007/08.	Requirements to access government programs and services, and comply with regulations.
Percentage of revenue administered without intervention.	Replaced with new measure	Replaced with a measure that more accurately reports on the ministry's success in collecting amounts owed to government.	Percentage of identified revenue collected.
Percentage of revenue received through electronic payments.	Removed	This measure will be monitored internally.	
Percentage of on-time payments.	Unchanged		

Former Performance Measures	Status	Reason for Change	New Performance Measures
Incremental revenue.	Reworded	The new measure reports on both the percentage of the revenue target achieved and the dollar value as set out in the <i>Balanced Budget Ministerial Accountability Act</i> .	Percentage of incremental revenue target achieved.
Number of audits and reviews performed.	Unchanged		
Average tax assessment per audit position.	Unchanged		
Debt collections.	Replaced with new measure	The new measure will report on the ministry's success in managing the accounts receivable portfolio. The ministry will establish a baseline and targets in 2006/07 and begin reporting on performance in 2007/08. Total debt collections will be reported in conjunction with this measure.	Percentage of overdue accounts collected.
Percentage of total government accounts receivable more than 90 days overdue.			
Average recovery per tax collection position.	Removed	This measure will be monitored internally.	
Elapsed time from receipt of tax appeal to final decision.	Unchanged	This measure is one of 12 <i>Taxpayer Fairness and Service Code</i> service excellence standards to be monitored by the ministry.	
Receipt to deposit turnaround time.	Removed	This measure will be monitored internally.	
Cost per transaction.	Removed	The ministry has transitioned payment/transaction processing and non-tax debt collection services to a private sector service provider, where the terms of the contract provide payment on a consolidated, transformed suite of services, not on a service by service basis.	
Cost to collect \$1 of debt.	Removed		
Success in meeting service standards.	New	This new measure reports on the ministry's performance in meeting the 12 service excellence standards detailed in the <i>Taxpayer Fairness and Service Code</i> .	Success in meeting service standards.

Appendix G: Performance Measure Data Methodology

The following section provides an overview of the data methodology and data sources of the performance information provided in this report.

Benchmarking

A key part of performance monitoring and measurement is benchmarking — finding out how the ministry's performance measures, targets and results compare to other jurisdictions with similar mandates. The ministry conducted exploratory work to identify benchmarking opportunities for tax administration and revenue collection programs in other jurisdictions.

The key findings from the ministry's exploratory work are:

Differences in tax structure: Different provinces structure their tax regimes differently. Tax rates and exemptions for sales, income, property and resource taxes vary widely across the country making direct comparison of performance information difficult.

Differences in focus due to organizational structure: Most jurisdictions have very few publicly reported performance measures dealing with tax and debt administration. Tax administration and revenue collection functions usually rest with finance ministries and the ministries managing the specific program (for example, mineral taxes are managed by the ministry responsible for the mining industry). Revenue management is one of a number of responsibilities of these organizations, and published information specific to tax and debt collection is scarce.

Challenges of Benchmarking Tax and Debt Administration

"Each Revenue authority faces a varied environment within which they administer their taxation system. Jurisdictions differ in respect of their policy and legislative environment and their administrative practices and culture... Care should always be taken when considering a Country's practices to fully appreciate the complex factors that have shaped a particular approach."

Source: Compliance Measurement Practice Note, May 2001, OECD.

Data Methodology

Regulatory Quality

This measure reports on compliance with the Regulatory Reform Policy that requires all proposed legislative and regulatory changes to be evaluated according to the Regulatory Criteria Checklist. The regulatory criteria reflect internationally recognized best practices in regulatory decision-making.

Methodology: Regulatory Criteria Checklists for all proposed regulatory requirements are signed-off by the Minister responsible and submitted to the Ministry of Small Business and Revenue.

Regulatory Count.

This measure reports the progress made across government to reduce red tape and maintain a zero net increase in regulatory requirements. All changes to regulatory requirements are entered into the regulatory requirements database by each ministry. Progress is reported in the Regulatory Reform Quarterly Report by the Minister Responsible for Regulatory Reform.

Methodology: Net change in regulatory count between June 2004 (237,893) and March 31st of the fiscal year reporting.

Percentage of ministry revenue received without enforcement action.

This measure reports on the percentage of revenue identified by the ministry (e.g., issuing a Medical Services Plan premium bill) or self-identified by individuals and businesses (e.g., by filing a tax return for provincial sales tax) without audit or compliance intervention. The measure is calculated for the fiscal year.

For this measure, total ministry administered revenue includes:

- taxation (provincial sales tax, fuel tax, tobacco tax, property taxes, property transfer tax, corporation capital tax, insurance premium tax and hotel room tax, logging tax, mineral tax, and mineral land tax);
- non-taxation (e.g., Medical Services Plan (MSP) premiums);
- fees and royalties (natural gas royalties, petroleum royalties, permits and fees and interest on late stumpage payments) and;
- other revenues (e.g., registration and administration fees).

This measure excludes personal and corporate income tax collected by the Canada Revenue Agency on behalf of the ministry. All revenue information is available through ministry data systems and is audited as part of the Public Accounts.

A limitation of this measure is the impact of ministry success in identifying incremental revenue on performance. The latter is the amount of monies identified, or remitted in response to audit and compliance activities.

Methodology: Total ministry administered revenue (excluding personal and corporate income tax collected by the Canada Revenue Agency on behalf of the ministry) less incremental revenue divided by total ministry administered revenue (excluding personal and corporate income tax).

Percentage of client-initiated electronic payments received by the ministry.

This measure reports on the proportion of revenue received electronically by the ministry during the fiscal year. All payments received are recorded in ministry data systems, including the payment portfolio (e.g., provincial sales tax, rural property tax, MSP debt collections), the amount and the method of payment (e.g., cheque, PC banking, electronic funds transfer). Payments include both tax and non-tax payments and can be voluntary, result from an audit assessment (incremental revenue) or debt collection. Electronic payments include those received through electronic funds transfer, electronic data interchange payments from financial systems, credit card payments, personal computer and telephone

banking, preauthorized payments, pay direct e-banking and group e-banking and those made at a financial institution or Government Agent offices and transferred to the ministry electronically. Non-electronic payments (referred to as physical payments) include cash, cheques and bank drafts.

Methodology: Total revenue received through electronic payment channels divided by total revenue received through physical and electronic payment channels.

Percentage of on-time payments

This measure reports on the proportion of tax payments received on-time and for the amount owing. Those received on or before their legislated due date are considered on-time. There are three tax areas where the ministry is able to identify both the number of payments that should be received and the payment due date — provincial sales tax, rural property tax and mineral, oil and gas taxes. In 2005/06, these areas represented 76 per cent of revenue paid to the ministry and 19 per cent of the total number of payments received. Data is collected and maintained in ministry data systems and reporting is for the fiscal year. Reporting of this measure lags by three months (i.e., January is reported in April) to give time for late returns to be submitted and included in the calculation.

Methodology: Monthly tax returns filed on or before their legislated due date and for the amount owing divided by total tax returns received for that month filed within 3 months of the due date.

Incremental revenue

Incremental revenue is money identified by ministry action (primarily audit and compliance activities) that would not otherwise have been received. The information for this measure is tracked through ministry business information systems and is reported for the fiscal year. Incremental revenue is identified for ministry tax programs including consumption, income, property, and mineral, oil and gas taxes and others (e.g., Corporation Capital Tax and Insurance Premium Tax).

Methodology: Revenue identified or remitted in response to audit and compliance activities of the ministry.

Debt collections

This measure reports on the amount of outstanding receivables recovered by the ministry through its debt collection programs during the fiscal year. This measure is tracked through ministry business information systems. This measure includes debt collection related to tax statutes administered by the ministry — income and capital taxes, consumption taxes, property taxes and stumpage revenues — as well as the collection of debts associated with Medical Services Plan Premiums, the Immigrant Sponsorship Program, the B.C. Ambulance Service, the British Columbia Student Assistance Program, Employment and the Assistance Program and court fines.

Methodology: Total monies collected on overdue accounts receivable by the ministry and its private sector service provider.

Number of audits performed

The ministry undertakes a variety of audit activities counted as audits. Audits vary from the review of grant claims, tax expenditures and exemptions and compliance with legislation to the examination of financial records and legal documents. Audit data is collected and maintained by ministry staff in business information systems that report on the total number of audits performed during the fiscal year.

Methodology: Number of audits conducted by the ministry.

Annual tax assessment per audit position

The ministry has allocated specific positions to the audit function and determines the average number of audit positions occupied on a rolling monthly basis. Tax assessments are a subset of incremental revenue generated by ministry audits, and is available through ministry business information systems and reported for the fiscal year.

Methodology: Incremental revenue identified through audit assessments for the fiscal year divided by the average number of audit positions filled over the year.

Average payment recovered per tax collection position

The ministry has allocated specific positions to the tax collection function and determines the average number of collection positions occupied on a rolling monthly basis. The payments recovered by these collection positions make up the tax portion of the ministry's debt collection result and are tracked through ministry business information systems and reported for the fiscal year.

Methodology: Tax debts collected for the fiscal year divided by the average number of tax collection positions filled over the fiscal year.

Percentage of total government accounts receivable more than 90 days overdue

This measure reports on the percentage of debt owed to government that is over 90 days past due. The ministry is not directly responsible for all government receivables, but the success it achieves in overdue debt contributes to the improvement of this overall measure.

Data reflects input from all ministries with debt administration responsibilities. Data are provided by the Office of the Comptroller General on a quarterly basis. The annual figure is a point in time measure as of March 31st of the fiscal year.

Methodology: Total government receivables more than 90 days overdue divided by total government receivables.

Elapsed time from receipt of tax appeal to final decision

This performance measure reports on the average elapsed time from the receipt of an appeal to the final decision as of March 31st of the fiscal year. The ministry appeal process involves:

- receiving appeals to the minister, analyzing the basis for the original assessment disallowance of refunds or decisions;
- analyzing the grounds for the appeal;
- verifying that the submission contains all the required documentation, gathering additional information and/or documentation;
- contacting taxpayers to ensure a full understanding of their position;
- assessing the merits of the appeal;
- resolving the appeal or making recommendations to the minister regarding disposition of appeals and;
- managing litigation arising from appeals.

Appellants may withdraw from the appeal process at any time. The progress of an appeal through the administrative process is tracked electronically and the data for this measure is calculated by this system.

Elapsed time to resolve a tax appeal includes the total number of days from the day the appeal is received in the ministry up to and including the date of decision on the appeal. This excludes those days when an appeals file is on hold for reasons beyond the ministry's control. For example, the days a taxpayer has requested an extension to submit further information to support their appeal are excluded from the calculation.

Methodology: Sum of elapsed time for all resolved appeals divided by the total number of appeals resolved during the fiscal year.

Receipt to deposit turnaround

The receipt to deposit turnaround is a point in time measure at March 31st of the fiscal year. Performance is measured based on the physical monitoring of transaction volumes and estimated time for deposit of payment following account update. This measure includes all payments made by cheque for Medical Services Plan premiums and provincial sales tax. In 2005/06, these areas constituted 77 per cent of all cheques processed by the ministry and are the only payment streams experiencing a continuous high volume of payments over the year. Turnaround time is calculated from the date a payment enters payment processing until it is deposited.

Methodology: Sum of (day money is deposited minus day it entered payment processing for each transaction) divided by number of transactions.

Cost to collect \$1 of debt

This measure reports on the average cost to recover \$1 of overdue tax accounts receivable during the fiscal year. Costs include salaries and benefit costs associated with tax collection activities, and building and infrastructure costs, excluding data system maintenance or

amortization which cannot accurately be attributed at the business unit level. Costs are based on actual expenditures, while debt recoveries are recorded in ministry business information systems.

The ministry has transitioned payment/transaction processing and non-tax collections functions to a private sector service provider where the terms of the contract provide for payment on a *consolidated, transformed suite of services, not on a service by service basis*. Therefore, in 2006/07, the ministry has revised the cost to collect \$1 of debt measure to include only the tax-collection portfolios managed by ministry staff.

Methodology: Cost of tax debt collection divided by tax debt collected.

Appendix H: Taxpayer Fairness and Service Code Standards

Twelve service excellence standards have been identified to monitor the ministry's progress in meeting the commitments set out in the *Taxpayer Fairness and Service Code*. This first set of standards focus on the timeliness and accessibility of ministry services. Over time, the ministry will add to and improve these standards based on consultation with the small business community and feedback from taxpayers.

Prior to determining the ministry's service excellence standards, research was conducted to review similar work in other jurisdictions. The ministry did not adopt specific standards from other jurisdictions due to differences in business processes, technology and level of resources applied, but made efforts to include common service aspects. Based on this research, standards were developed in partnership with several small business organizations to reflect those standards the small business community felt were most important to them.

The following table lists the service excellence standards and their performance targets. The 2006/07 targets reflect baseline data available for nine of the twelve standards, with future years' targets reflecting the ministry's commitment to maintaining high levels of customer service with a focus on continuous improvement. Baselines for the remaining three standards will be established in 2006/07.

The ministry will monitor performance using existing ministry business information systems, with reporting beginning in 2006/07. A standard will be considered to 'be met' if, over the twelve months of the fiscal year, the performance meets or exceeds the established target.

Service Aspects	Service Standards ¹	2006/07 Target	2007/08 Target	2008/09 Target
Inquiries and rulings	Respond to general email inquiries regarding sales, hotel, fuel and tobacco tax sent to CTBTaxQuestions@gov.bc.ca within 2 business days of receiving all of the necessary information.	Establish baseline in 2006/07.	TBD.	TBD.
	Respond to complex email inquiries and written rulings on sales, hotel, fuel or tobacco tax issues within 20 business days of receiving all of the necessary information.	77%	80%	82%
Account registrations and clearances	Register sales and hotel tax accounts within 2 business days of receiving all of the necessary information.	90%	90% ²	90% ²
	Respond to requests to confirm if any sales or hotel taxes are owed by the business to be bought within 5 business days of receiving all of the necessary information.	85%	85% ²	85% ²

Service Aspects	Service Standards ¹	2006/07 Target	2007/08 Target	2008/09 Target
Refunds	Process sales, hotel, fuel or tobacco tax refunds within 30 calendar days of receiving all of the necessary information.	85%	TBD ³	TBD ³
Correspondence	Respond to correspondence sent to the Minister, Deputy Minister and Assistant Deputy Minister within 14 days of receipt.	Establish baseline in 2006/07.	TBD	TBD
Accessibility	Receive email anytime and be accessible by telephone from 8:30 am to 4:30 pm., Monday through Friday (except holidays).	100%	100%	100%
	Provide walk-in service at the ministry's public offices in Victoria and Vancouver from 8:30 am to 4:30 pm., Monday through Friday (except holidays).	100%	100%	100%
	Have helpful information about the ministry's programs available on the website 24 hours a day, every day.	99.7% ⁴	99.7% ⁴	99.7% ⁴
Audit	Review the audit process and <i>Taxpayer Fairness and Service Code</i> rights before starting an audit at the place of business or representative's office.	100%	100%	100%
Reviews	Deputy Minister information reviews — provide written decision within 30 business days of receiving all of the necessary information and where required, the opinion of an objective third party.	Establish baseline in 2006/07.	TBD	TBD
Appeals	Provide a written decision on issues appealed to the minister within the average annual response time.	5 months	4.5 months	4.5 months

¹ The statement in the service standards dealing with Service BC-Government Agents was provided to inform customers that information about ministry programs is available from Service BC. This was excluded in the above list as the ministry is not accountable for service provided by Service BC, but the ministry will ensure they have the information required to fulfill this commitment.

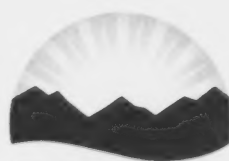
² A significant increase in account registrations and clearances are anticipated due to the upcoming 2010 Olympic and Paralympic Winter Games in Vancouver. The goal is to maintain a high level of performance despite a significant increase in workload.

³ The Consumer Taxation Programs Branch (a key contributor to the standard) is currently streamlining its refund process to improve response times. It is anticipated future targets will be higher.

⁴ Based on a Common Information Technology Services standard of 24/7 service, which excludes scheduled downtime for system maintenance on Sundays between 6:00 a.m. and 9:00 a.m.

*Ministry of
Tourism, Sport
and the Arts*

**2005/06
Annual Service Plan Report**



**BRITISH
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For more information on the British Columbia
Ministry of Tourism, Sport and the Arts contact:

Ministry of Tourism, Sport and the Arts

PO BOX 9806
STN PROV GOVT
VICTORIA BC
V8W 9W1

or visit our website at
<http://www.gov.bc.ca/tsa/>

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Message from the Minister and Accountability Statement

As our ministry completes its first full year, B.C. has every reason to be confident about the future of tourism, sport and the arts. With the hand-over of the Olympic flag to Vancouver from Turin in February, our province is now firmly planted in the international spotlight, and thanks to the hard work of B.C.'s tourism operators, service industry, small business owners, cultural sector, sport organizers and volunteers, we are ready to shine.

Despite some challenges — like rising gas prices, a higher Canadian dollar and complexities around a new United States passport requirement — B.C.'s arts and culture, tourism and sport sectors have had a productive year. Film and television production has skyrocketed — up more than 50 per cent over last year — thanks in part to sustained tax credits from our provincial government. Across the province, B.C.'s 700 resorts continue to attract both domestic and international visitors seeking outdoor pursuits, agricultural tours and spa experiences. Ski hills across the province have seen record or near-record seasons. On top of that, B.C. communities played host to 26 major sport events — like the World Junior Hockey Championships, Sovereign Lake World Cup Cross-Country Ski Championships and Grey Cup — generating millions of dollars in economic activity, both in the host communities and the province at large.

As we look back on our performance over the past year, we are also planning for the next one. Our ministry is investing in organizing and promoting BC 2008, a celebration of the 150th anniversary of B.C.'s founding as a colony. New capital projects worth more than \$4.5 billion are under review by our ministry, including proposals for new all-seasons ski resorts, golf and residential developments and spas. We are also investing \$5 million towards the planning and development of a cultural precinct in Vancouver that will encompass a new provincial Asia-Pacific Museum of Trade and Culture and a new National Gallery of Aboriginal Art. All of these will contribute to our provincial identity as a world-class cultural destination and help ensure we meet our goal of doubling tourism by 2015.

As we continue to work toward that ambitious goal, I am proud to present the 2005/06 Annual Service Plan Report that highlights our accomplishments over the past year. I look forward to continuing to meet with B.C.'s tourism operators, First Nations partners, destination marketing organizations, local governments and other stakeholders to help ensure the entire province benefits from the opportunities at hand.

The 2005/06 Ministry of Tourism, Sport and the Arts Annual Service Plan Report compares the actual results to the expected results identified in the ministry's 2005/06-2007/08 Service Plan Update. I am accountable for those results as reported.



Honourable Olga Ilich
Minister of Tourism, Sport and the Arts

June 30, 2006

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Highlights of the Year

Tourism and Resorts

Resort Development

Our province's 700 resorts and lodges employ 26,000 people and generate more than \$2 billion in direct and indirect spending each year across B.C. With time, those figures will only grow higher. Across B.C. 44 alpine ski resorts are projecting new capital investments of more than \$1 billion over the next two to five years. Expansion includes everything from new lifts and runs to developing hotels, residential developments and golf courses.

On top of that, new projects worth more than \$4.5 billion in estimated capital investment are currently under review. These new proposals include all-season ski resorts, golf and residential developments, spas, marina resorts and agri-tourism destinations.

In addition, the ministry has updated the province's Commercial Alpine Ski Policy and developed a new All Seasons Resort Policy framework. New Guidelines to Resort Development and a new Master Development Agreement template have been developed in consultation with industry to promote clarity and consistency for developers across the province.

Approved Destination Status

In January 2005, a Memorandum of Understanding was signed by Chinese and Canadian dignitaries — a first step in achieving Approved Destination Status for Canada, which will allow people to travel to Canada for recreational purposes. Currently, Chinese citizens are only granted permission to travel to Canada for business. The ministry continues to work with federal partners to achieve Approved Destination Status, and a final agreement is expected to be signed within the next two years.

In 2005, total overnight visitation of Chinese visitors to B.C. was just over 83,000. Tourism Vancouver anticipates Vancouver alone could receive as many as 500,000 visitors from China by 2015.

Destination Marketing

As the 2010 Olympic and Paralympic Winter Games approach, B.C. has an unparalleled opportunity to demonstrate that B.C. is the best place on earth for a vacation. To promote our province domestically, nationally and internationally, the provincial government has doubled Tourism BC's allocation, from \$25 million to \$50 million per year. A one-time investment of \$25 million to the Union of BC Municipalities (UBCM) in support of the Community Tourism Program along with \$12 million in one-time funding to B.C.'s six tourism regions are helping to attract visitors to B.C. and ensure they extend their travels from the major centres to explore all B.C. has to offer.

Aboriginal Tourism

In December 2005 the Aboriginal Tourism Association of BC (ATBC) launched the Aboriginal Cultural Tourism Blueprint Strategy, with support from the provincial government. An interim grant of \$150,000 has been provided by the province to ATBC to undertake further planning toward full implementation of the strategy.

Vancouver Convention Centre Expansion Project

The provincial government has committed \$272.5 million to the Vancouver Convention Centre Expansion Project, which will triple the capacity of the existing facility. This project will deliver substantial economic benefits to the city of Vancouver, as well as the entire province, by attracting more conventions, visitors and investments. The Vancouver Convention and Exhibition Centre will also be used as the broadcasting headquarters during the 2010 Olympic and Paralympic Winter Games.

Arts, Culture and Heritage

Supporting Arts, Culture and Heritage

The government of B.C. recognizes that the arts, culture and heritage sectors are crucial to the spirit, vitality and health of our communities. In 2004/05 the province established the \$25 million BC Arts Renaissance Fund through a one-time grant to the Vancouver Foundation to build a permanent endowment fund by matching private sector grants. As of March 2006, the Vancouver Foundation has provided more than \$5 million in funding to B.C. arts organizations through that fund. In addition, the province increased the BC Arts Council program budget by \$3 million to almost \$14 million, which provided more than 900 awards to B.C. arts groups. A further \$592,000 in awards was distributed through the Olympic Arts Fund.

Film Continues to Grow

This year film and television production in B.C. increased more than 50 per cent from 2004, with more than 200 productions being completed in B.C. including 63 major feature films. B.C. is North America's third-largest service film production centre after Los Angeles and New York, with production contributing about \$1.2 billion to our provincial economy.

In 2005/06, the province provided \$200,000 through the BC Film Commission to regional film commissions across the province, and continues to support production activity through its regional tax incentive, aimed at stimulating production in areas of the province outside the Lower Mainland. This year the film tax was extended until 2008, to help ensure B.C.'s film industry remains strong and competitive with other jurisdictions.

Sport

Major Sport Event Hosting

Sport hosting plays a vital role as the province prepares for 2010. Not only does sport hosting showcase all that B.C. has to offer to the world, but it also creates legacies in tourism, volunteerism and sport development that benefit all British Columbians.

In 2005, B.C. hosted 23 national and international sport events, which generated millions of dollars for the host communities and the province. To name only a few examples, the Grey Cup generated an estimated \$35 million for the Vancouver economy, the World Cup Nordic Championships at Sovereign Lake generated an estimated \$6.5 million for the Vernon area, and the World Curling Championships is estimated to have generated more than \$20 million for Victoria.

In 2005/06, the ministry launched an innovative new promotional tool to encourage and attract sport events to the province. The *BC Sport Event Hosting and Resort Guide* is a new online tool (available at <http://www.hostingbc.ca>) that catalogues B.C.'s sport facilities and resorts. It provides extensive information about the capacities and features of facilities, resorts and communities, as well as key contacts for each. Response from international sport decision-makers has been overwhelmingly positive.

Supporting Amateur Sport

British Columbia has a long-standing tradition of sport excellence and is a national leader in physical activity. To help meet government's goal of being the most physically active jurisdiction in the world, the ministry allotted a total of \$13.2 million in 2005/06 to support sport, recreation and volunteers. The ministry has also been exploring innovative new partnerships to make more resources available to our amateur sport system.

Through Sport BC, Pacific Sport and other province-wide sport organizations, funds are being dramatically expanded for KidSport, sport travel assistance programs, support for coaches and coaching, and other supports to give our most competitive young athletes a winning edge.

Purpose, Vision, Mission and Values

Purpose

The purpose of the ministry is to foster job creation, business development, dynamic communities and healthy, active citizens by bringing new leadership and focus to the tourism, sport and arts sectors. The ministry is developing a plan for doubling tourism revenues which will enhance benefits to all regions in the province through a combination of strategies to improve competitiveness, enhance infrastructure and expand marketing. The ministry also works to foster a creative economy by identifying new opportunities and supporting sustainable growth and investment in the culture, sport and volunteer sectors.

Vision, Mission and Values

Vision

A province where citizens embrace participation, and celebrate and maximize the social and economic benefits from tourism, sport and the arts.

Mission

To build strong partnerships that will foster sustainable tourism, sport and arts sectors and creative vibrant communities where people want to live, visit and invest.

Values

The ministry's values are integrated into its day-to-day program and service delivery and are essential to successful achievement of its goals and objectives. They are:

Collaboration: promoting team work, and building relationships and partnerships of mutual trust and confidence. The ministry has many partners and stakeholders and is committed to building strong relationships, recognizing that achievement of its goals and objectives takes the effort and contribution of many. For example, the ministry was one of the partners that worked in cooperation with the Aboriginal Tourism Association of BC to develop the Aboriginal Cultural Tourism Blueprint Strategy. This achievement would not have been possible without mutual trust and confidence.

Integrity: communicating and behaving in ways that show respect, honesty and high ethical standards. The ministry's reputation and its relationships with clients and stakeholders depend on the professionalism and integrity of its staff. Its respect for stakeholders and partners is demonstrated through its inclusive approach to carrying out its work. For example, during the reporting period the ministry prepared to hold a Cultural Summit to bring together leaders in B.C.'s arts and cultural community to discuss the sector's future. This process of engagement demonstrated respect for those

who work in the sector, and led to a successful summit, held shortly after the reporting period (in April 2006).

A Focus on Clients: providing high levels of service and responsiveness to ministry clients in a timely and effective manner. The ministry strives to understand and respond to its clients' needs, and to provide a consistent, coordinated one-window approach to service delivery. This commitment is reflected in a number of the ministry's performance measures. It is also reflected in the ministry's work in 2005/06, which included expanding the scope of the All Seasons Resorts Office in Kamloops and partnering with FrontCounter BC to facilitate adventure tourism. Both initiatives respond to client needs by making it easier for applicants to navigate approval processes.

Transparency and Accountability: providing effective and efficient delivery of services and implementing sound results-driven financial management. The ministry is committed to communicating openly with its stakeholders and the public on its use of public resources, and on whether it is achieving its intended results. The ministry uses service agreements and contracts to identify clear deliverables and outcomes to ensure that services provided by third parties are delivered effectively and efficiently.

Innovation and Creativity: building a dynamic and innovative organization which encourages creativity and imagination. The ministry strives to be an organization where individual learning is continuous, knowledge is shared, and innovation and creativity are supported. The ministry's Human Resource Management Plan demonstrates its commitment to becoming a learning organization and outlines a development plan for staff.

Strategic Context

The Ministry of Tourism, Sport and the Arts was formed in June 2005 and work has been ongoing since its inception to consolidate its working teams and structures. Although the ministry is newly established, it has developed a unifying vision for its diverse areas of business.

Tourism and Resort Development

British Columbia's real GDP grew by a solid 3.5 per cent in 2005, slightly faster than the 3.4 per cent growth rate forecast in the *September Budget Update*. Strong consumer spending and investment helped make B.C.'s growth the second fastest in the country, behind Alberta's 4.5 per cent expansion. B.C.'s economic growth was accompanied by a marked drop in the unemployment rate and strong labour income growth, supporting consumer spending and residential construction growth. Visits to the province were up and Tourism BC estimates that \$9.78 billion in tourism revenue was generated in B.C. in 2005 as compared to \$9.47 billion in 2004.

The largest contributor to these revenues was domestic tourism (57 per cent), composed primarily of contributions from B.C. residents, followed by those from the Prairies and Northern Canada, and finally those from Eastern Canada. The second most important contributor to provincial tourism markets was the U.S., primarily California and Washington, estimated to deliver 24 per cent. Overseas visitors contributed the remaining 19 per cent.

Overseas tourists, particularly from the Asia-Pacific, represent an under-tapped tourist market, as well as a trade and commerce market. Canada has secured an agreement in principle with China to acquire Approved Destination Status, which allows countries to receive Chinese tourist groups through outbound travel agents. This represents a potentially significant new tourism market, with an estimated potential of 500,000 visitors to Vancouver alone by 2015.

Prior to the reporting period, the United States Department of Homeland Security released plans requiring passports or acceptable alternative documents for anyone entering the United States after 2007, including its own citizens. The ministry has been actively working with the federal government, a number of other provinces and several U.S. states to address this issue. It has potential implications to adversely affect tourism from the U.S. to Canada as well as implications for trade and commerce.

Regardless of the final decision regarding U.S. border security, our challenge is to provide an experience that will encourage tourists from around the world to come here. The ministry continues to work with partners and stakeholders on both sides of the border to best address how to mitigate the impact this new requirement may have on B.C.'s tourism industry.

The continuing rise of the Canadian dollar, with the U.S./Canada exchange rate averaging 86 per cent over the September 2005 – March 2006 reporting period, may also discourage tourism from the U.S.

Unexpected events, such as natural disasters, epidemics and major transport incidents, also bring uncertainty for tourism. For example, the sinking of the Queen of the North poses challenges to tourism.

B.C. is a rich and diverse province, with many natural and cultural resources that can enhance tourism and resort development. The potential economic benefits for investors and communities are substantial, particularly in rural areas. Resort development faces challenges such as conflicts over land use, environmental concerns, First Nations issues, and competition for natural resource access.

Many First Nations are interested in tourism and resort development but may need to enhance their capacity — resources, capital or experience — to move forward. To identify and facilitate tourism and resort development opportunities, the ministry has established an Aboriginal Tourism and Resort Development Manager to support First Nations to network with resort developers, investors and other key provincial and federal agencies such as Partnerships BC.

The 2010 Olympic and Paralympic Winter Games

Canada hosted the Olympic Games in 1976 and the Winter Olympic Games in 1988 but remains to be the only host country never to win a gold medal. The ministry has been involved in collaborative efforts to better understand and improve sport excellence in order to increase Canada's likelihood of winning its greatest number of medals in 2010 and placing among the top three medal winners at the 2010 Olympic and Paralympic Winter Games.

B.C.'s successful bid to host the 2010 Games has already delivered benefits to the sport sector, including more than \$35 million in one-time funding for the sport system as well as the development of the SportsFunder lottery, which supports amateur sport and physical activity. These new resources raise expectations of athletic excellence and will require sustainability strategies to ensure continued success after 2010.

The 2005 Olympic Winter Games, held in Turin, Italy, provided the opportunity to profile B.C. The province hosted international officials and media at special events at BC/Canada Place to promote B.C. and set the stage for the 2010 Games.

Sport and Physical Activity

Sport and physical activity are significant economic drivers. Sporting events also have major spin-off benefits. For example, the economic impact of the recent World Curling Championships in Victoria is estimated at \$20 million. Economic impact projections for the 2008 North American Indigenous Games in the Cowichan Valley exceed \$20 million, while the World Police and Fire Games set for 2009 in Burnaby should generate more than \$60 million in economic activity. Sport and physical activity also represent the second largest area of volunteer participation in Canada, accounting for 11 per cent of B.C.'s total volunteer corps.

British Columbia is Canada's most active province, but almost two million citizens are not active enough to derive health benefits from their participation in physical activity. Sport is a vehicle to increase active participation and promote health and well-being. The provincial government has set a target to increase the proportion of B.C.'s population that is physically active by 20 per cent by 2010. This is especially important given provincial changing demographics, the significantly higher health care costs associated with an inactive, aging population, and current trends in childhood obesity.

The ministry's relationship with the provincial sports sector is strong and positive, with a shared vision. As a result, B.C. is generally acknowledged across the country as a sport and physical activity innovator and leader with programs like ActionSchools!BC, Active Communities, SportSafe and SportWeb leading the way.

The ministry will continue to seek partnerships to bring more resources to sport and recreation in B.C. to sustain the success of the current system and physical activity rate, as well as providing support and direct interventions to make British Columbians more active.

Volunteers

B.C. has 20,000 not-for-profit or voluntary organizations, making up 13 per cent of the 161,000 across Canada. These organizations collectively produce \$11 billion dollars in annual revenues. If B.C.'s 1.5 million volunteers were paid minimum wage for the 114 million hours they contribute annually, it would cost nearly \$1 billion per year.¹ These data underline the need for government to build strong relationships with volunteer organizations, and to foster continued capacity in the volunteer sector. The ministry's efforts with regard to programming for volunteers were still under development over the reporting period.

Arts and Culture

Arts and cultural activities in British Columbia are significant contributors to the province's economic prosperity. Economic output in 2001 exceeded \$4.2 billion, an increase of 24 per cent over 1996.² More than 78,000 British Columbians were employed in the cultural sector in 2001, and cultural tourism is projected to increase at an annual rate of 15 per cent through 2010.

Arts and culture are central to the development of a competitive, creative, knowledge-based economy. The diversity of the province's population provides an opportunity for unique and distinctive cultural expression, reflecting the influences that have shaped British Columbia.

Motion Picture Industry

B.C.'s motion picture production industry had a prosperous year in 2005 and the province was successful in attracting \$1 billion in foreign production. However, the increasing value of the Canadian dollar and growing competition from other jurisdictions, combined with the highly mobile and cost-sensitive nature of the industry, could affect B.C.'s future

¹ 2003 National Survey of Non-profit and Voluntary Organizations, in British Columbia.

² Statistics Canada: Economic Contributions of the Cultural Sector – A Provincial Perspective, 2004.

competitiveness and market share. To remain competitive, B.C. must continue to offer excellence, both in terms of quality and cost, and provide producers with access to the best crews, locations, tax incentives, equipment and infrastructure in the world.

The future success of the motion picture sector, an important contributor to B.C.'s economy, will be shaped by the industry's ability to work collaboratively, offer exceptional value and develop innovative strategies that are flexible enough to respond to a rapidly changing global marketplace.

BC 2008

In 2008, B.C. communities will be united in celebrating B.C.'s 150th anniversary as a Crown Colony. This is a tremendous opportunity to raise awareness about our shared heritage, cultivate a sense of pride and reveal our unique history to British Columbians and visitors. The ministry will be leading the way in engaging other ministries and Crown agencies, local communities, the federal government, non-profit organizations, First Nations and the private sector in supporting this milestone as a unique opportunity to showcase the heritage, arts and culture of the province.

Heritage

Government's role in heritage has shifted from direct provincial ownership and management of heritage sites to long-term operating agreements with third parties and ownership by communities. There are challenges regarding operational sustainability and stewardship of heritage resources. The ministry strives to address these issues by providing better opportunities for heritage stewardship training and networking for site managers, and funding to address high priority capital maintenance issues at several properties. The ministry also worked to build heritage management capacity at the local level. The ministry made use of the Historic Places Initiative funding (a Federal-Provincial contribution agreement) to provide training opportunities and other community project opportunities that advance both federal and provincial heritage goals. Finally, the ministry continued work to position heritage conservation in the context of broader policy goals related to community sustainability and revitalization, by providing heritage-related content to the upcoming World Planners Congress held in Vancouver, June 7-20, 2006.

Archaeology

B.C. has one of the most diverse and complex archaeological histories in Canada, dating back over 12,000 years. The *Heritage Conservation Act* encourages conservation and public appreciation of this valuable legacy.

The ministry works to ensure resource managers, land managing agencies, developers and property owners have adequate archaeological information and advice to prevent destruction of sites. The ministry is also increasing its interaction with local governments to encourage their participation in advising their constituents about the need to take archaeological sites into account in their development activities. This enhanced emphasis on educating other governments, agencies and the public will increase the protection afforded to these sites.

The archaeological permitting process, in conjunction with archaeological site information, allows forestry, mining and land development to proceed while protecting a valuable provincial resource. There has been a steady increase in permits issued each year. While this increase can be viewed as indicative of sites being protected, this growth increases demand on resources. That can result in delays in issuance and a resulting delay in economic activity. The ministry worked to mitigate this risk by streamlining the permitting process and providing ongoing advisory sessions with external consultants to reduce errors, and therefore delays in processing, and to develop mechanisms to expedite permitting.

Internal Factors

As a newly created ministry, staffing in 2005/06 was significantly below the optimal levels required for effective program and service delivery. Addressing this will be a priority in the coming year.

Linkage to the Five Great Goals

The Government's five great goals for a golden decade are:

1. Make British Columbia the best educated, most literate jurisdiction on the continent.
2. Lead the way in North America in healthy living and physical fitness.
3. Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk, and seniors.
4. Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.
5. Create more jobs per capita than anywhere else in Canada.

Great Goal 5: Create more jobs per capita than anywhere else in Canada.

The ministry plays an instrumental role in creating jobs and economic prosperity by working with partners to maximize opportunities and benefits related to hosting visitors, athletes, media and others leading up to, and during, the 2010 Olympic and Paralympic Winter Games. The ministry is also working with key partners to develop and implement a long-term, sustainable plan for growth in the tourism industry and to double tourism revenues by 2015. Specific activities include ongoing implementation of the BC Resort Strategy, which will promote new resort investments, and the development of a cross ministry Charter for Tourism Growth. This will strengthen government partnerships in support of tourism and facilitate the development and expansion of resorts, adventure tourism, outdoor recreation and the rest of the B.C. tourism sector.

The ministry is working to enhance the creative economy by investing in culture, sport and heritage infrastructure and improving integration with a broader tourism strategy. It will work with Aboriginal communities to support the Aboriginal Cultural Tourism Blueprint Strategy for B.C. Participants in this strategy include the Ministry of Aboriginal Relations and Reconciliation, the Ministry of Economic Development, the Aboriginal Tourism Association of BC, Tourism BC and other stakeholders.

Great Goal 4: Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.

The ministry supports this Great Goal through its integrated management of nature-based recreation and tourism, including heli-skiing, mountain biking, wildlife viewing, resorts and lodges. The ministry also fosters a shared commitment to the stewardship of British Columbia's heritage and archaeological sites through education, local capacity development, work with First Nations, regulation, and provision of accessible information via the Provincial Heritage Register. Encouraging preservation and revitalization of older buildings and districts also supports efforts to ensure sustainability.

Great Goal 2: Lead the way in North America in healthy living and physical fitness.

The ministry supports this Great Goal by facilitating British Columbians' access to and participation in sport, recreation, arts and cultural activities. The ministry works in partnership with many other bodies to promote basic physical skills such as running, jumping and balance that contribute to life-long wellness. For example, the ministry encourages active living and physical fitness by working with the Ministry of Health on programs such as ActNow BC, as well as with the private sector and other levels of government. The ministry also manages a system of recreation sites and trails across the province, supporting outdoor activity for British Columbians as well as visitors.

Great Goal 1: Make British Columbia the best-educated, most literate jurisdiction on the continent.

The ministry supports this Great Goal in several ways. First, it encourages involvement in the arts, which has been shown to improve intellectual capacity, learning outcomes and creative thinking. All are important factors in developing the educated citizenry essential to a knowledge-based society. Second, it encourages involvement in sport and fitness activities, which support physical literacy and generate long-term health and social benefits. Third, it works to preserve and promote heritage, cultural and archaeological sites, historical commemorations and celebrations, providing valuable learning opportunities for young and old alike.

Great Goal 3: Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk, and seniors.

The ministry's investment initiatives such as Aboriginal Youth FIRST, Sport Participation Program and BC Seniors and BC Disability Games support access to programs for populations traditionally under-represented in sport and recreation. Its support for the province's volunteer network will also help to foster strong systems of support.

Cross Ministry Initiatives

The ministry contributes to a number of important cross ministry initiatives:

A New Relationship with First Nations

The ministry, in conjunction with other agencies, has a primary and influential role in funding programs and services that support stronger relationships with, and enhance the well-being of, Aboriginal people. This involves working closely with the Ministry of Aboriginal Relations and Reconciliation. Specific initiatives include:

- preparing for the North American Indigenous Games in British Columbia to showcase Aboriginal excellence in sport;
- investing in Aboriginal youth through the Aboriginal Youth FIRST program, teaching leadership and job skills, self-esteem and healthy life choices;
- leading the delivery of cultural programs and policies that will assist First Nations to reclaim and revitalize their arts and cultural heritage;
- ensuring the culture, heritage and history of First Nations are part of BC 2008 celebrations;
- facilitating partnerships to support the implementation of an integrated Aboriginal Cultural Tourism Blueprint Strategy with the Ministry of Aboriginal Relations and Reconciliation, the Ministry of Economic Development, the Aboriginal Tourism Association of BC, Tourism BC and other stakeholders;
- exploring the feasibility of establishing a National Aboriginal Gallery;
- supporting economic development opportunities for First Nations by facilitating access to Crown land and encouraging joint business ventures with tourism and resort developers and investors;
- supporting tourism sector initiatives such as the Wei-Wai-Kum Cruise Ship Terminal, which is being developed by the Campbell River Indian Band; and
- meeting government's commitment to new relationships with First Nations through meaningful and respectful consultations regarding tourism and resort developments on Crown land.

Mountain Pine Beetle

The ministry assists communities affected by mountain pine beetle infestation to make the transition to a more diverse, creative economic base through enhanced arts, cultural, heritage, sport and tourism opportunities, in collaboration with the Ministry of Economic Development and other partners. The ministry also works in collaboration with the Ministry of Forests and Range both to remove hazards to trees in forest recreation sites, and to reforest those sites impacted by mountain pine beetle.

ActNow BC

ActNow BC combines cross-government and community-based approaches to address common chronic disease risk factors, through programs and initiatives that support healthier

eating, physical activity, tobacco reduction and healthy pregnancies. As a partner, the ministry funds programs and services to increase levels of physical activity through:

- the Active Communities program, which will support opportunities for people to be active in their communities;
- the Aboriginal Sport Excellence and Aboriginal Youth FIRST programs, which teach sport, recreation and nutrition skills to Aboriginal youth in Vancouver's Downtown Eastside and rural areas;
- a sport participation bilateral agreement with the federal government, which provides targeted funding to increase participation in sport for children, youth, seniors and disabled persons; and
- the SportSafe program, which is designed to create a safer environment for sport and recreation participation.

2010 Olympic and Paralympic Winter Games

The ministry is supporting the 2010 Olympic and Paralympic Winter Games in a variety of ways, including enhancing B.C.'s sport system, developing and implementing tourism strategies, and showcasing B.C.'s arts, culture and heritage to the world. These initiatives will not only contribute to the success of the Games but will also have broader, longer-term benefits. The ministry works with partners to deliver programs and services that enhance sport and recreation systems, tourism strategies, and sustainable arts and culture initiatives. These include:

- developing and implementing Hosting the World tourism initiatives;
- developing and implementing a provincial Sport and Physical Recreation Strategy; and
- working with industry and government to develop a long-term, sustainable plan for industry to double tourism by 2015, and leveraging opportunities related to the 2010 Games.

Service Delivery and Core Business Areas

Core Business Areas Overview

The Ministry of Tourism, Sport and the Arts was created in June 2005, bringing together several program areas essential to the health of our economy and communities: tourism and resort development; sport, recreation and volunteers; arts, culture and heritage; and the BC Film Commission. The ministry is responsible for seven Crown corporations and agencies that are directly accountable to the Minister, and for a broad range of legislation (see Appendices 1 and 2).

Core Business Area: Arts, Culture and Heritage

The Arts, Culture and Heritage division is responsible for cultural and heritage policy and programs; for the administration and delivery of government programs under the *Arts Council Act* and the *Heritage Conservation Act*; and for the administration of the Olympic Arts Fund Special Account. This core business area supports the development of a sustainable arts and cultural sector and a creative economy. It also works to build awareness and implement policies to facilitate the protection, conservation and rehabilitation of heritage sites, including pre- and post-European contact sites, for the benefit of present and future generations. This division managed expenditures of \$28.3 million through the efforts of 36 full time equivalents (FTEs) in staff.

This core business area also supports the British Columbia Arts Council which provides opportunities for British Columbians to participate in the arts by supporting arts and cultural organizations and artists throughout the province.

Core Business Area: Sport, Recreation and Volunteers

The Sport, Recreation and Volunteers division supports the development of a sustainable recreation and sport system, which includes many partners including 2010 Legacies Now, Sport BC, BC Recreation and Parks Association, PacificSport and other provincial and multi-sport and recreation agencies. It does this by facilitating quality opportunities to increase physical activity, participation and excellence in sport; developing public policy; providing funding to recreation and sport organizations; and working with local organizing and bid committees to promote British Columbia as a domestic and international event host. This core business area managed expenditures of \$14.5 million through the efforts of seven FTEs.

The ministry also provides funding for the BC Games Society which is responsible for support to the BC Family of Games, thus enabling the development of athletes, coaches, officials and volunteers in preparation for larger scale competitions and events. The BC Family of Games includes the BC Summer and BC Winter Games, the Northern BC Winter Games, the BC Disabilities Games and the BC Seniors Games.

The ministry is also responsible for coordinating government's involvement with organizations representing the voluntary sector and works in partnership with government and non-government organizations to develop, recognize, and build lasting capacity in this valuable labour force. This responsibility area was not yet staffed during the reporting period.

Core Business Area: Tourism and Resort Development

This division leads the implementation of the provincial plan and policies for sustainable development of tourism by: developing and implementing strategies to promote British Columbia and achieve significant increases in tourism; advancing product and sector development; issuing Crown land tenures for adventure tourism businesses and all seasons resorts; supporting major development agreements; managing the provincial system of forest recreation sites and trails; working with industry, not-for-profits and other levels of government to enhance the business climate for tourism growth; and undertaking market and trend research. Tourism and Resort Development managed expenditures of \$7.7 million through the efforts of 44 FTEs.

Core Business Area: British Columbia Film Commission

The BC Film Commission supports the promotion of British Columbia's locations and infrastructure for use by the world's film, television and commercial production industries. It also offers production and post-production support for film-making. The commission managed expenditures of \$1.3 million through the efforts of nine FTEs.

Core Business Area: Transfers to Crown Corporations and Agencies

In 2005/06, the ministry provided \$131.3 million in transfers to five crown corporations and agencies:

- **Tourism BC** works to promote development and growth in the tourism industry, to increase revenues and employment throughout British Columbia, and to increase economic benefits for all British Columbians.
- **Royal BC Museum** is a Crown corporation, responsible for the protection and exhibition of provincial collections, including specimens, artifacts, archival records and other materials that illustrate the natural and human history of British Columbia.
- **BC Pavilion Corporation** generates economic and community benefits through the prudent management of public facilities.
- **Vancouver Convention Centre Expansion Project** is funded through the ministry. A larger Vancouver Convention and Exhibition Centre will be an important asset before, during and after the 2010 Olympic and Paralympic Winter Games.
- **Provincial Capital Commission** assumes primary stewardship for assets of historical and cultural significance within the Capital Region and delivers programs to connect and celebrate the capital with every British Columbian.

Core Business Area: Executive and Support Services

This core business area managed expenditures of \$2.1 million through the efforts of eight FTEs. It provides for the offices of the Minister and the Deputy Minister. The Ministry of Community Services provides shared management services to the Ministry of Tourism, Sport and the Arts.

Service Delivery

The ministry works with a diverse set of partners and stakeholders, including other ministries, other orders of government, the private sector and not-for-profit organizations to deliver programs and services and develop policies that foster sustainable tourism, sport and arts sectors, and creative vibrant communities where people want to live, visit and invest.

Arts, Culture and Heritage

The ministry provides secretariat support to the BC Arts Council, an independent board accountable to the Minister of Tourism, Sport and the Arts. The Council delivers grant and funding programs that support the arts and cultural sector to realize its social and economic potential. The council is held accountable through performance measures and targets identified in its service plan.

The ministry also works in partnership with other orders of government, the heritage community and the private sector to encourage and facilitate the protection and conservation of heritage in British Columbia. It has forged strong partnerships with heritage counterparts in federal and local governments, and continues to develop community heritage capacity through a variety of collaborative initiatives. The ministry supports the operation and management of 13 heritage properties in the province through service partners which include not-for-profit organizations, local governments and site managers. These partners are held accountable through performance objectives and targets established in contract and site management agreements.

BC Film Commission

The BC Film Commission works in cooperation with local and regional-based film offices to facilitate access to locations and facilities throughout the province. It partners with industry stakeholders and local communities to maintain B.C.'s international reputation as a film-friendly and cost-effective centre of production. The ministry supports regional film and television activity by providing program funding to eight regional film commissions throughout the province. These commissions are held accountable through criteria and deliverables identified in contribution agreements with the ministry. Other key partners include BC Film, local and international production companies, local labour unions, film studios, post production facilities, service suppliers, industry associations, municipalities, other ministries and government agencies, and the general public.

Tourism and Resort Development

The ministry works closely with key partners and industry associations to guide, support and encourage the sustainable economic development of the tourism sector. It works with stakeholders such as the Council of Tourism Associations (COTA), the Wilderness Tourism Association, the Aboriginal Tourism Association of BC, Cruise BC and Conventions BC to resolve issues, coordinate investments and build strong relationships across the tourism sector. These efforts support diversification and growth in all regions of the province.

The ministry has established a service agreement with Front Counter BC to facilitate the delivery of its adventure tourism program. While the ministry continues to make statutory decisions regarding tourism and recreation land use, Front Counter BC guides clients through required authorizations, helps them complete application packages, tracks the status of applications filed and liaises between ministries, agencies and orders of government. It also interprets land information, maps and management plans; begins referral processes with First Nations; and helps identify and market economic development opportunities.

The management and maintenance of forest recreation sites and trails is accomplished through partnership agreements and service contracts with First Nations, local governments, community organizations and contractors. Partners and contractors are held accountable through the terms of their agreements and contracts. The ministry also conducts routine inspections to ensure compliance.

Sport, Recreation and Volunteers

The ministry works to achieve excellence in sport and increase physical activity by building on partnerships with other ministries, orders of government, not-for-profit organizations and the private sector. Key partners in this area include: Sport Canada to support a sport participation program and an Aboriginal Sport Excellence program; and the BC Lottery Corporation and the Ministry of Public Safety and Solicitor General to deliver SportsFunder, a new lottery program to support amateur sport and physical activity. The ministry also provides funding to 2010 Legacies Now which administers funding to provincial and multi-sport organizations to provide programs and services to athletes, coaches, participants, volunteers and others involved in sport and physical activity. 2010 Legacies Now is administered through contracts with specified deliverables.

Report on Performance

Performance Plan Summary Table

Synopsis of Ministry Performance Measure Results

Five Great Goals	Ministry Mission To build strong partnerships to foster sustainable tourism, sport and arts sectors and creative vibrant communities where people want to live, visit and invest			
	Ministry Goals	Ministry Objectives	Performance Measures	Results
Great Goal 5: Create more jobs per capita than anywhere else in Canada. Great Goal 4: Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none. Great Goal 2: Lead the way in North America in healthy living and physical fitness.	1. A flourishing sustainable tourism industry where domestic and international visitors enjoy B.C.'s diverse range of natural experiences and world class resort facilities.	• A competitive, sustainable tourism sector that supports a strong diverse economy and job creation across all regions of the province. • B.C.'s natural resources support sustainable economic development of commercial and non-commercial nature-based recreation.	Vision for sustainable tourism	△
			Completion of a Tourism Charter	X
			All Season Resorts revenues to government	△
			Commercial Recreation revenues to government	✓✓
			Approvals of resort development agreements: • Master Development Agreements • Other Resort Development Agreements	X ✓✓
			Percentage of commercial recreation land tenures processed within 140 days	△
			Percentage of surveyed customers who are satisfied with All Seasons Resorts and Commercial Recreation services	△
✓✓ Exceeded target. (≥ 106%) ✓ Achieved target. (95–105%) △ Target mostly achieved. (85–94%) X Missed target. (≤ 84%) N/A — Not Applicable. No data available				

Five Great Goals	Ministry Mission To build strong partnerships to foster sustainable tourism, sport and arts sectors and creative vibrant communities where people want to live, visit and invest			
	Ministry Goals	Ministry Objectives	Performance Measures	Results
Great Goal 5: Create more jobs per capita than anywhere else in Canada. Great Goal 4: Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none. Great Goal 2: Lead the way in North America in healthy living and physical fitness.	2. British Columbians reap the full benefits of a physically active lifestyle, achieve sustained excellence in competitive sport and experience lasting benefits from hosting world-class sporting events.	• British Columbian's participation levels increase as they embrace sport and physical activity as a way of life.	B.C. adults' physical activity level	N/A
		• Provincial athletes are supported in their pursuit of excellence and achieve sustained personal-best results in national and international competition.	Team BC placement in Canada Summer and Winter games	✓
			Proportion of nationally-carded athletes training in the province	✓
	3. A dynamic creative economy in which British Columbians participate and showcase their diverse culture, heritage and arts.	• The province attracts world-class sport events enriching sport-tourism opportunities and accruing lasting benefits from major events such as the 2010 Olympic and Paralympic Winter Games.	The economic impact of hosting major sport events in the province exceeds the provincial investment	✓✓
		• British Columbia's arts and film industries capture a strong share of the global marketplace.	New measure developed for client satisfaction with film production services offered in B.C.	✗
			Film production investment in B.C. relative to market capacity	✗
		• A vital and sustainable artistic and cultural sector that contributes to the quality of life and economic development of B.C.	Olympic Arts Fund strategy completed	✓
		• Effective stewardship of British Columbia's heritage properties brings economic benefits and a sense of pride and identity to communities.	Number of historic places entered in the Canadian Register of Historic Places	✗
			Percentage of community-based heritage properties meeting or exceeding standards	✗
		• B.C.'s archaeological resources are protected and preserved, while also accommodating economic development.	Number of land use projects proceeding under permit	✓

✓✓ Exceeded target. ✓ Achieved target. △ Target mostly achieved. ✗ Missed target. N/A — Not Applicable.

Goals, Objectives, Strategies and Performance Measures

Ministry Goal 1: A flourishing sustainable tourism industry where domestic and international visitors enjoy B.C.'s diverse range of natural experiences and world class resort facilities.

A successful tourism sector enhances economic investment and growth — locally, regionally and provincially. Planning for sustainable tourism is vital to maintaining British Columbia's competitive position in the global market. This means increasing the number of tourism businesses in British Columbia and the number of people employed in those businesses; enhancing opportunities for high-yield tourism destinations such as all seasons resorts, the cruise industry, meetings and conventions; and identifying and developing emerging growth products that draw tourists to every region of the province.

In 2005/06, the ministry carried out activities directed at encouraging tourism investment and economic development through timely and effective marketing partnerships, tourism business development and effective regulatory processes. It provided leadership and advocacy to stimulate strategic planning and investments in the sector; to encourage optimal use of Crown lands to support resort development and commercial recreation; and to increase opportunities to attract high-yield tourism and promote long-term sustainability of the sector.

This goal supports the government's Great Goal 5 of creating the most jobs per capita in Canada. It does this by working with partners to support long term sustainable growth in the tourism industry and to create an environment that makes it easier for the business development and expansion of resorts, adventure tourism, and outdoor recreation.

Core Business Area: Tourism and Resort Development.

Objective 1: A competitive, sustainable tourism sector that supports a strong diverse economy and job creation across all regions of the province.

This objective focuses on increasing the number of tourism businesses in British Columbia and the number of people employed in those businesses, as well as enhancing opportunities for high-yield tourism. The ministry focused on growing specific tourism sectors, such as all seasons resorts, conventions and meetings, and the cruise ship industry.

This objective is also supported by the work of Tourism BC, which implements initiatives to market and promote the province in order to increase tourism activities and investment.

The following strategies were carried out in an effort to achieve the objective and goal:

Strategies

- **Implementing industry development initiatives, such as Cruise BC and Conventions BC.** Developing B.C.'s tremendous untapped potential as a world-class cruise, convention and tourism destination supports all regions to experience the economic benefits of a competitive sustainable tourism sector. The ministry does this work in partnership with Tourism BC, Cruise BC, Conventions BC and other industry associations.
- **Working with the Aboriginal Tourism Association of BC on developing and implementing an Aboriginal Tourism Strategy.** A successful Aboriginal cultural tourism industry helps to strengthen and preserve the cultural identity of Aboriginal people and communities throughout British Columbia, while creating new employment and economic development opportunities.
- **Advancing partnerships with local and federal governments and industry to enhance tourism opportunities.** These partnerships help drive sustainable tourism growth by strengthening planning, coordination and cooperation, and by providing opportunities for cost sharing.
- **Developing the *Hosting the World* Program to enhance and broaden the impact of hosting the 2010 Olympic and Paralympic Winter Games in the tourism sector.** This strategy focuses on the visitor experience before, during and after 2010 to ensure that domestic and international tourists enjoy British Columbia's diverse range of experiences, supporting new investment and repeat visits.
- **Implementing strategies to promote British Columbia in areas such as tourism revenues, all seasons resorts development, convention centers and cruise ship passenger traffic.** As demographics and tourism interests change, product development in the province requires continuous monitoring and adaptation to reflect visitor demands and to encourage growth in these and other areas of high-yield tourism.

Progress on achieving the objective and strategies includes:

- To enhance opportunities for high-yield tourism, the ministry provided funding to Cruise BC to support its three-year plan, and to Conventions BC to complete the research, economic modeling and best practices studies of Phase 2 of the Conventions BC Project.
- The ministry worked with, and provided funding to the Aboriginal Tourism Association of British Columbia to develop the Aboriginal Cultural Tourism Blueprint Strategy, released in December 2005, and a three-year implementation plan.
- Through various partnership arrangements such as fund-matching and cost-shared initiatives, the ministry was able to enhance tourism opportunities through the distribution of \$25 million to local communities through the Union of BC Municipalities, and supporting the 2010 Legacies Now for Sport Community Tourism Workshops and the Sport Tourism Events Marketplace.
- The ministry began working to include the tourism charter as part of the Roadmap to 2015: Growing BC Tourism action plan. The plan supports the government goal of doubling tourism revenues.

Performance Measures

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance
Vision for sustainable tourism	n/a	n/a	n/a	Consult with 50+ stakeholders; Hold a summit; Hold 3 key workshops	More than 50 stakeholders were consulted; 3 key workshops were held; Summit was not held	Target mostly met
Selection Rationale This measure reflects the value of engaging a broad range of perspectives in working towards a sustainable future for tourism in the province, and building on the actions already undertaken by industry and government. The target chosen reflected the need to include a broad representation of stakeholders to better understand their views on creating a sustainable future for B.C. tourism.						
Variance Explanation Two out of three of the targets were met. More than 50 stakeholders were consulted and 3 key workshops were also held to support preliminary development of a vision for sustainability and growth in the tourism sector. The Tourism Summit was not held at this point in time, as a result of new direction to engage in a broader and longer term cross-government strategy which will be supported by a full consultation plan.						
Data Sources and Issues Internal data.						
Changes to the Measure This measure has not been included in the 2006/07–2008/09 Service Plan because it was an output for the 2005/06 year, and because the ministry has reduced its overall set of measures. See Appendix 3 for more information on changes to the performance measures in the 2006/07–2008/09 Service Plan.						

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance
Completion of a Tourism Charter	n/a	n/a	n/a	Establish charter; monitor structure	Charter is in the process of being developed	Target not met
Selection Rationale The charter is a cross-ministry agreement that will establish a common commitment to tourism as a provincial economic and cultural priority, and facilitate coordination of government activities in the tourism sector. Many different ministries have an effect on tourism through their policies, programs and actions (e.g., ministries of transportation, economic development, forests and finance). There is a need to better coordinate government activities to remove impediments to growth.						

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance
Variance Explanation						
A great deal of progress has been made; completion of the charter will be included as part of the revised government strategy for tourism.						
Data Sources and Issues						
n/a						
Changes to the Measure						
Although the Tourism Charter is in progress this measure has been replaced in the 2006/07 – 2008/09 Service Plan, with an outcome-focused measure appropriate for use over consecutive years. See Appendix 3 for more information on changes to the performance measures in the 2006/07 – 2008/09 Service Plan.						

Objective 2: B.C.'s natural resources support sustainable economic development of commercial and non-commercial nature-based recreation.

The ministry identifies and responds to significant land-based business opportunities and works closely with other ministries, agencies, local governments, First Nations, resort operators and new investors to facilitate the expansion of the B.C. tourism and resort sectors. It does this by providing timely and continued access through tenure and sales, and by promoting responsible and sustainable economic development. B.C.'s 700-plus resorts and lodges employ 26,000 people and contribute an estimated \$178 million per year to federal, provincial and local revenues. With the 2010 Olympic and Paralympic Winter Games on the horizon, investment interest in this sector has never been higher, both in terms of new resort development and major expansions of existing resorts.

The ministry works to ensure sufficient and accessible land inventory and works with its partners to improve the responsiveness of decision-making processes related to land investment activities. Over 950,000 visitors annually spend \$1 billion on commercial recreation or nature-based tourism in B.C. Activities such as river rafting, fishing, boating, heli-skiing, hiking and all terrain vehicle (ATV) tours are offered by 1,200 commercial recreation companies whose tenures provide access to over 13 million hectares of Crown land and foreshore. Complementing this, some 1,200 non-commercial recreation sites and 700 trails are managed by the ministry through partnership agreements and service contracts.

Strategies:

Key strategies to support All Seasons Resorts include:

- **Providing consistency and a coordinated, one-window approach to service delivery.** A one-window approach to service delivery for both resort development and adventure tourism administration provides services that are more accessible, easier to deal with and more responsive to clients' needs.

- **Promoting new resort development and major expansions of existing resorts.** This leads to increased tourism spending, economic investment and job creation in the province.
- **Administering existing Master Development Agreements (MDAs) and working closely with resort operators to achieve resorts' full development potential.** MDAs are agreements between the province and developers, setting out the terms and conditions governing the development of all seasons resorts, including the rights to acquire tenures and fee-simple grants. The terms of these agreements promote resort development, thereby encouraging local economic investment.
- **Leading the implementation of the BC Resort Task Force initiative.** The task force was established to ensure the province's resort potential is fully realized and recognized around the world. The ministry is supporting a number of initiatives from the BC Resort Strategy and Action Plan, aimed at facilitating B.C.'s competitive edge and continued growth in the resort sector.
- **Developing a new Integrated Resort Approval Process that will harmonize provincial and local government review processes.** Harmonization reduces duplication of effort and uncertainty for resort developers and encourages investment in resort development and expansion.
- **Transferring timber administration within approved resort development areas from the Ministry of Forests to the Ministry of Tourism, Sport and the Arts.** This transfer creates a consistent one-window approach for the expansion of existing resorts and new resort development.

Key strategies to support commercial recreation, nature-based tourism and forest recreation include:

- **Effectively administering and licensing Crown land resources and monitoring tenure use.** These activities support sustainable economic development of adventure and nature-based tourism businesses by providing rights of access to the province's natural resources through a regulated tenuring approval process.
- **Reducing decision times and streamlining processes.** Improving the manner in which Crown land applications are processed promotes responsive decision-making for investment activities, generating sustainable economic benefits for the commercial recreation and nature-based tourism sectors.
- **Ensuring timeliness in permitting and licensing and overall client satisfaction.** Consistently meeting target turnaround times for processing Crown land applications provides investment certainty for clients, which leads to new investments in resorts and other commercial recreation activities.
- **Expanding the application of the Commercial Alpine Ski Policy to resorts and commercial recreation and development.** The policy is viewed by the industry as progressive, and has led to the successful development of major ski resorts including Whistler/Blackcomb. Expanding the policy to resorts and commercial recreation development will increase business certainty for developers, facilitating growth in the resort and commercial recreation sectors.

- **Developing an integrated commercial tourism and resort policy framework to encourage private sector investment through tenure certainty and pricing incentives.** This strategy is designed to integrate and consolidate policies related to resorts, adventure tourism and community public recreation, leading to increased business certainty which in turn contributes to a sustainable tourism industry.
- **Ensuring that provincially owned forest recreation sites and trails are accessible and provide opportunities for safe, quality recreation opportunities.** Maintaining recreation sites and trails to adequate standards helps to ensure that visitors have safe and positive natural experiences while supporting a sustainable tourism industry that benefits local communities.
- **Providing continued support and opportunities for partnerships with First Nations, local governments and community organizations to manage recreation sites and trails.** These partnerships allow communities to take responsibility for ensuring high risk and high use sites and trails are accessible and safe for visitors, and to generate related economic and social benefits.

Progress on achieving the objective and strategies includes:

- The ministry expanded the All Seasons Resorts Office in Kamloops to administer the existing portfolio of major resorts on Crown land, and to review and approve expansions and new resort proposals, providing a consistent and coordinated approach to program delivery. The ministry also entered into a service agreement with Front Counter BC to assist in facilitating effective delivery of the adventure tourism program.
- The ministry implemented a number of initiatives from the BC Resort Strategy and Action Plan with most either completed or in progress. These include:
 - development of a new All Seasons Resort Policy;
 - a new harmonized resort approval process model that integrates and streamlines provincial and local government processes;
 - a new Master Development Agreement template to support resort investment;
 - a new approach to resort planning, servicing and local governance; and
 - a best practices guide for resort development.
- A Memorandum of Understanding was signed with the Ministry of Forests and Range, describing a policy framework for the administration of timber and associated forest management activities in a resort's Controlled Recreation Area (CRA). Legislation creating the framework was introduced in spring 2006.
- The ministry signed 10 new partnership agreements to manage recreation sites and trails, bringing the total number to 180. Through service agreements with the ministry, 649 recreation sites and 154 trails received scheduled maintenance, ensuring they continued to be accessible and safe for the public. While an additional 591 sites and 546 trails remained open, these did not receive scheduled maintenance and for the most part were user maintained.

Performance Measures:

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance
All Seasons Resorts revenues to government	n/a	n/a	n/a	\$4.2 million	\$3.55 million	Target mostly achieved - 15%
Selection Rationale Access to Crown land, as measured by revenue generated from fees, royalties, rents and sales, is a key driver for sustainable economic development of commercial and non-commercial nature-based recreation. Revenues can be enhanced by providing tenure security, streamlined processes and pricing incentives. The target was selected in consultation with All Seasons Resorts staff based on expected sales of Crown land in 2005/06.						
Variance Explanation Two sales did not complete as expected.						
Data Sources and Issues Data for this performance measure was derived from All Seasons Resorts program staff and government's CAS Oracle financial system.						
Changes to the Measure This measure was modified in the 2006/07 – 2008/09 Service Plan, to more accurately reflect the value of new All Seasons Resorts investments.						

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance
Commercial Recreation revenues to government	n/a	n/a	\$1.7 million	\$1.8 million	\$1.99 million	Target exceeded + 11%
Selection Rationale This measure captures the amount of revenue to government from the development and expansion of commercial recreation activities. Access to Crown land, as measured by revenue generated from fees, royalties, and rents for use of Crown land, as well as sales of Crown land for commercial recreation, is a key driver for sustainable economic development of commercial and non-commercial nature-based recreation. The target was selected in consultation with Commercial Recreation staff based on expected fees and royalties paid by individuals and companies licensed to use Crown land for commercial activities (e.g., heli-ski operators, snowmobile tour operators and commercial hunting and fishing guides). Licensed commercial recreation operators pay a fee to the Crown based on their numbers of client days on the land base.						
Variance Explanation Commercial recreation activity was greater than expected due to good winter weather that resulted in a greater number of client days than anticipated.						

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance
Data Sources and Issues						
Data for this performance measure was obtained from government's financial system (CAS Oracle) and the Tantalus system (the Crown Land Registry database). Because information from the Tantalus system is based on invoiced amounts, not received amounts, the revenue figures are estimates.						
Changes to the Measure						
This measure was kept in the 2006/07 – 2008/09 Service Plan, but modified to more accurately reflect the value of new Commercial Recreation investments.						

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance
Approvals of resort development agreements ¹ :						
• Master Development Agreements (MDA)	n/a	n/a	n/a	2 MDA	0 MDA	Target not achieved - 2
• Other Resort Development Agreement (RDA)				3 other RDA	6 other RDA	Target exceeded + 3

Selection Rationale

A Master Development Agreement (MDA) is a long-term contract between the province and a ski hill developer. A Resort Development Agreement is a plan, agreed upon by the province and the resort developer, for how a resort will develop over time. These agreements are an important indicator of progress in the development of new and existing resorts. They enable the province to work closely with resort operators to achieve the full development potential of new and existing resorts.

The number of MDAs, on its own, has limitations in measuring progress towards the objective as it omits major resort expansions and other development projects undertaken by existing resorts. These other developments may have large dollar values and therefore contribute to sustainable economic development of the resort sector.

Variance Explanation

The MDA for one resort was delayed at the proponent's request to allow time for further planning. The second anticipated MDA was appropriately delayed to allow for more detailed consultation with First Nations. These negotiations were concluded in April 2006 and the MDA is expected to be approved in June 2006.

The ministry is undertaking several initiatives to build capacity to streamline consultation.

Three additional Resort Development Agreements were approved as a result of existing resorts expanding their operations to include additional lodge sites.

Data Sources and Issues

Data was obtained from internal records.

Changes to the Measure

Unchanged

¹ Resort development agreements include Master Development Agreements and other Resort Development Agreements. Master Development Agreements are long-term major resort development agreements, phased in over time, where the Crown has ongoing interest or ownership of the property. Other Resort Development Agreements include simple land sales or development permits.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance
Percentage of commercial recreation land tenures processed within 140 days	n/a	n/a	n/a	90% of the time	83% of the time	Target mostly achieved - 7 percentage points

Selection Rationale

This measure is an indicator of how responsive government is to the needs of its investment clients. It demonstrates that the ministry provides timely access to Crown land for commercial recreation thereby facilitating sustainable economic development of the sector. It also demonstrates the ministry's commitment to being responsive and accountable to its clients.

Land and Water BC, formerly responsible for administering all land tenures for the province, established the target of 90% of land tenure applications processed within 140 days. The 140 day turnaround time was based on the average time it took to process an application.

Variance Explanation

The target, originally established by Land and Water BC, was based on all land tenure applications, which vary in complexity. The 90% target was high since commercial recreation applications are more complex than the average land tenure application and typically take longer than 140 days to process.

Data Sources and Issues

Data is obtained from the Tantalus system.

Changes to the Measure

Although the ministry will continue to monitor this measure for its internal business planning process, this measure has not been included in the 2006/07 – 2008/09 Service Plan because the ministry has reduced its overall set of measures.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance
Percentage of surveyed customers who are satisfied with All Seasons Resorts and Commercial Recreation services	n/a	n/a	n/a	Establish baseline	Survey developed but not conducted	Target mostly achieved

Selection Rationale

This measure reflects how responsive government is to customer needs. High customer satisfaction levels signal an open-for-business attitude and a strong commitment to superlative client service, both of which can help encourage new investment.

Variance Explanation

A Customer Satisfaction Survey was developed in 2005/06, but implementation was delayed until Spring 2006. A baseline will be established by July 2006.

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance
Data Sources and Issues						
Clients will be surveyed annually beginning Spring of 2006, to assess their level of satisfaction.						
Changes to the Measure						
Although the ministry will continue to monitor client satisfaction for its internal business planning process, this measure has not been included in the 2006/07–2008/09 Service Plan because the ministry has reduced its overall set of measures. See Appendix 3 for more information on changes to the performance measures in the 2006/07–2008/09 Service Plan.						

Ministry Goal 2: British Columbians reap the full benefits of a physically active lifestyle, achieve sustained excellence in competitive sport and experience lasting benefits from hosting world-class sporting events.

Increased physical activity and excellence in sport contribute to British Columbians' health and quality of life. Winning the bid for the 2010 Olympic and Paralympic Winter Games has raised the profile of the province's sport and physical activity endeavours. It has heightened interest in achieving excellence and increasing participation in sport in British Columbia.

In 2005/06, the ministry worked to increase physical activity and achievement of excellence in sport. It did this by bringing more resources to sport and recreation through development of partnerships with other ministries, levels of government, not-for-profit organizations, and the private sector.

Sport tourism is one of the fastest growing segments of the tourism industry. Increased visits by international sport groups and teams strengthen sport tourism capacity, creating lasting benefits to host communities as well as the province as a whole. The ministry worked with local organizing and bid committees to attract world-class sport events, such as the World Junior Hockey Championships and the World Curling Championships.

This goal supports the Great Goal of leading the way in healthy living and physical fitness by facilitating and encouraging participation in sport and recreation.

It also supports the government's Great Goal of creating the most jobs per capita in Canada by maximizing opportunities and benefits related to hosting visitors, athletes, media and others leading up to and during the 2010 Olympic and Paralympic Winter Games.

Core Business Area: Sport, Recreation and Volunteers.

Objective 1: British Columbians' participation levels increase as they embrace sport and physical activity as a way of life.

Physical activity is a key component of health and quality of life for British Columbians. Increased participation in physical activity and excellence in sport are encouraged through a number of strategies, most of which are undertaken in partnership with other agencies.

The following strategies were carried out in an effort to achieve this objective and goal:

Strategies:

- **Developing policy and strategies that contribute to public priorities such as education, health, and economic and social objectives.** One of government's roles in supporting the sport and recreation systems is to ensure that these investments benefit the emotional, social and physical health of B.C.'s population. By supporting broader public priorities, such as an overall increase in adults' physical activity levels, British Columbians can reap more of the benefits of a physically active lifestyle.
- **Developing and supporting inter-and intra-government partnerships and international relationships to bring more resources to sport and physical activity.** Increasing the proportion of British Columbians who are physically active requires an integrated approach. Developing partnerships with other ministries, other levels of government, non-profit organizations and the private sector contributes to achieving sustained excellence in competitive sport and a physically active society.
- **Promoting and supporting event hosting and sport tourism.** Taking full advantage of the momentum of the 2010 Olympic and Paralympic Winter Games and promoting BC as a sport event destination will generate sport, economic and community development legacies.
- **Demonstrating national leadership.** British Columbia has traditionally been a leader in sport and recreation nationwide. A province with a sport and recreation system with highly-skilled and energetic leaders, staff and volunteers, and that is profiled nationally and internationally, attracts people who want to work, play, live and compete in B.C.
- **Demonstrating sound contract and agreement management.** Ensuring that deliverables negotiated in contracts and transfers under agreements are achieved provides accountability for the use of public resources. This strategy also reflects the ministry's values of transparency and integrity.
- **Identifying and monitoring trends and research to promote sport and physical activity.** These activities can highlight gaps, issues and opportunities in the provincial sport and recreation system and ultimately contribute to increased physical activity participation.
- **Providing funding to 2010 Legacies Now to promote innovative revenue-generation for the sector.** As an independent non-profit society outside of government, 2010 Legacies Now is well-positioned to leverage government's investment in sport and recreation into additional public and private sector support.

Progress on achieving the objective and strategies includes:

- The ministry worked with the 2010 Legacies Now Society to ensure that the \$15 million in funding it received from government in 2005 has and will be used to provide for enhanced support to sport and recreation.
- The ministry, through membership in ActNow BC, Action Schools! BC, Active Communities, the Sport Integration Group and other leadership/advisory committees, contributed to major sport and physical activity strategies — both within and outside government.
- In 2005, the ministry negotiated a \$2.8 million three-year bilateral agreement with Sport Canada, to support the Sport Participation program and Aboriginal Sport Excellence. The programs are part of a national strategy to increase participation and excellence in sport.
- The ministry continued its Aboriginal Youth FIRST (Futures in Recreation and Sport Training), a suite of programs to use sport and recreation as a positive intervention in the lives of Aboriginal youth.
- The ministry supported national leadership through federal-provincial/territorial committees, sharing best practices and supporting innovative organizations, programs and services.
- In partnership with the Ministry of Public Safety and Solicitor General and the BC Lottery Corporation, the ministry established a new provincial lottery called SportsFunder with proceeds dedicated to amateur sport.
- British Columbia became the first province to contribute to the Canada Olympic Committee's Own the Podium program, providing \$10 million (\$5 million for summer sports, \$5 million for winter sports).

Performance Measures:

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	Reported in 2005	Variance
B.C. adults' physical activity level	n/a	58.1% ¹	n/a	57%	Data not yet available	n/a
Selection Rationale This measure is an indicator of personal fitness and health. The target of 57 per cent is based on the ActNowBC initiative to increase the proportion of British Columbians who are physically active by 20 per cent (an increase from 57 per cent to 69 per cent in 2010/11). The target for 2005/06 was set before the 2003 survey results were released. The results are derived from a bi-annual survey. While the ministry supports and promotes participation in sport and recreation, B.C.'s physical activity rate is impacted by various environmental and socio-economic factors. Responsibility is therefore shared across government and the general public.						
Variance Explanation n/a						

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	Reported in 2005	Variance
Data Sources and Issues Data is collected every two years by the Canadian Community Health Survey (CCHS) which provides estimates of health determinants, health status and health system utilization for 136 health regions across the country. Approximately 16,000 British Columbians (12 years and older) participate in the bi-annual telephone survey in which they report on whether or not they engaged in 30 minutes of moderate exercise at least four days each week. The survey is released approximately one year after the collection date so there is a two-year lag in linking current activities to this performance measurement. A risk to achieving this target is that British Columbia has the most active population in Canada; it is difficult to improve on this high level of success.						
Changes to the Measure Unchanged						

¹ Based on the Canadian Health Survey 2005 report on 2003 survey.

Objective 2: Provincial athletes are supported in their pursuit of excellence and achieve sustained personal-best results in national and international competition.

The 2010 Olympic and Paralympic Winter Games provide an exceptional opportunity to improve and promote sport excellence, supporting international podium performances during and after 2010. The ministry worked with sector partners to provide a foundation that supports British Columbians in their pursuit of sport excellence.

The following strategies were carried out in an effort to achieve the objective and goal:

Strategies:

- **Working with sector partners to accelerate the completion and implementation of Game Plan BC.** Game Plan BC is a strategy to provide enhanced support to B.C. athletes striving to compete at the 2010 Olympic and Paralympic Winter Games.
- **Improving sport excellence by supporting the national winter Own the Podium initiative and similar excellence programs.** The Canadian Olympic Committee's Own the Podium program provides additional funding support to help athletes reach international standards and achieve podium success.
- **Providing funding to groups that support athletic excellence.** This supports the efforts of provincial agencies to develop B.C. athletes and the coaches, administrators, officials and volunteers that support athletes to reach their highest potential.
- **Ensuring that Team BC is supported in representing B.C. at the Canada Summer and Winter Games.** The success of Team BC reflects the strength of the provincial sport system where athletes are able to achieve sustained personal-best results.
- **Supporting sport excellence through the Athlete Assistance Program.** This program provides financial support to assist athletes' pursuit to represent B.C. and Canada at international competitions.

Progress on achieving the objective and strategies includes:

- The ministry provided funding to the 2010 Legacies Now Society to:
 - develop Game Plan BC — a strategy that assessed and identified needs of winter sports;
 - enhance support to 62 provincial sport organizations;
 - support provincial and multi-sport organizations to provide programs and services to athletes and coaches in B.C.
- The ministry supported the participation of 350 athletes, 70 coaches and managers, and 21 mission staff at the 2005 Canada Summer Games in Regina, Saskatchewan. Team BC placed third in medals (after Ontario and Quebec) and second in flag points (points awarded for top 13 finishes)
- The B.C. Athlete Assistance Program provided \$700,000 in financial support to about 900 B.C. athletes (with individual grants up to \$3,500) in 2005/06.

Performance Measures:

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance
Team BC placement (flag points) in Canada Summer and Winter Games	4th (flag points) in Winter Games	No games held	No games held	2nd (flag points) at 2005 Summer Games	2nd (flag points) at 2005 Summer Games	Overall performance goal (flag points) was achieved
Selection Rationale The performance of provincial-level athletes at Canada Games is an indicator of the strength of high performance sport across the province and demonstrates whether sustained excellence in competitive sport is being achieved. It takes eight to 10 years to develop athletes to international performance levels. Performance in Canada Games is a good barometer of how provincial athletes are progressing on this high performance path. This performance measure only reflects progress of those provincial athletes eligible (by virtue of age) to participate in Canada Games. As these Games occur in a four-year cycle, some generations of athletes are skipped by virtue of their birth year.						
Variance Explanation n/a						
Data Sources and Issues This data is collected from the official Canada Games results. At the conclusion of each sport in the Games, each province or territory team result is ranked, and Canada Games Flag Points are then awarded. The points for each province or territory are added together to determine total flag points. Provinces and territories are also ranked according to medals, but flag points are a better measure of the overall depth of the province's team.						
Changes to the Measure Although the ministry will continue to monitor this measure internally, this measure has not been included in the 2006/07–2008/09 Service Plan because the ministry has reduced its overall set of measures.						

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance
Proportion of nationally-carded athletes training in the province	16.7%	18%	17.2%	20%	19% ¹	Target met -1 percentage point
Selection Rationale The number of national athletes training in British Columbia reflects the strength of the province's sport development system and infrastructure. Athletes live and train where they have the best access to world-class facilities, coaches, programs and services. The target reflects the provincial goal of putting more British Columbians on the 2010 (and beyond) Olympic and Paralympic podium than ever before. This goal cannot be reached if provincial athletes do not achieve national-carding status. British Columbia's percentage of national athletes has traditionally been high, particularly considering that at 13 per cent B.C.'s proportion of Canada's population is much lower than its percentage of nationally-carded athletes. This historic success rate – coupled with significant new investments in other provinces and territories – will mean that sustaining or improving the representation of national caliber athletes training in B.C. will be challenging.						
Variance Explanation Target is considered met since it is within the 95 – 105% range.						
Data Sources and Issues Data is collected from Sport Canada's database of nationally-carded athletes.						
Changes to the Measure Unchanged						

¹ For comparison, the B.C. population is only 13 per cent of the Canadian population.

Objective 3: The province attracts and supports world-class sport events, enriching sport-tourism opportunities and accruing lasting benefits from major events such as the 2010 Olympic and Paralympic Winter Games.

Winning the right to host the 2010 Olympic and Paralympic Winter Games generated tremendous interest and pressure to showcase regions of the province beyond Vancouver and Whistler through the staging of summer and winter international sport events, including world cups, world championships and other major games and festivals. These events provide an opportunity to improve the B.C. sport system, and to bring significant direct benefits across a broad range of government priorities. Successful world-class sport events create lasting memories, encourage repeat visits by tourists, and increase word-of-mouth promotion of B.C. as a sport destination.

The following strategies were carried out in an effort to achieve the objective and goal:

Strategies:

- **Providing expertise and oversight to the organizing committees of major sport events hosted in British Columbia and supported by the province.** By providing this expertise and oversight, the ministry can transfer knowledge from one event to another, helping to ensure that government's investments in these events deliver sport, community and economic development benefits.
- **Developing a sport tourism strategy which includes identifying potential hosting opportunities and promoting B.C. as a sport destination.** A sport tourism strategy ensures that a coordinated and long-term approach is taken to our hosting efforts and that opportunities to profile our province nationally and internationally are not missed.
- **Providing funding to Hosting BC to support international, national and regional sport events around the province.** This helps ensure that these events are successful, thereby raising B.C.'s profile as a place to host world-class sport events as well as spreading the benefits across the province.
- **Linking with the national hosting strategy and with other jurisdictions (e.g., British Columbia-Alberta Accord).** Conducting joint marketing campaigns and sharing knowledge and expertise with other jurisdictions provides increased opportunities to showcase B.C. to an international audience.

Progress on achieving the objective and strategies includes:

- In 2005/06, the ministry provided advice on and oversaw government's involvement and investment in hosting a number of international sport events. British Columbia hosted:
 - the 2005 World Curling Championships in Victoria;
 - the 2005 Sovereign Lake Nordic Cup in Vernon; and
 - the World Junior Hockey Championships in Vancouver.
- The minister launched the Sport Event Hosting and Resort Guide website at BC-Canada House during the 2006 Olympic and Paralympic Winter Games in Turin, Italy. The guide, developed in partnership with the 2010 Legacies Now Society, links international sport federations, governments and visitors to a searchable database of facilities, amenities and communities.

Performance Measures:

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance
The economic impact of hosting major sport events in the province exceeds the provincial investment.	n/a	n/a	n/a	Net gains exceed investment	Net gains exceeded investment (see details below)	Target exceeded
Selection Rationale Hosting major sporting events can bring significant economic benefits directly to host communities and indirectly to a region and the province. This measure will assist government in tracking the extent to which the benefits outweigh the investment when major sporting events are hosted in British Columbia. The lasting benefits from world-class events include additional investments in the economy and growth in government revenue, which can be re-invested in health, education, social and economic priorities, thereby reinforcing the value of sport investments. The province hosted three major sport events during the reporting period: • The 2005 World Curling Championship generated an estimated \$20 million in economic activity and leveraged a \$250,000 provincial investment into \$1 million in provincial revenue. • The 2005 Sovereign Lake Nordic World Cup generated an estimated \$6.5 million in economic activity and leveraged a \$250,000 provincial investment into \$439,000 in provincial revenue. • The World Junior Hockey Championships generated an estimated \$41 million in economic activity and leveraged a \$1 million provincial investment into \$2 million in provincial revenue.						
Variance Explanation n/a						
Data Sources and Issues Economic impact surveys are requested for major international events supported by the province. Data does not include events supported under Hosting BC – a ministry-funded program that provides grants of up to \$50,000 for national and world competitions, including 2010 Olympic and Paralympic test and training events.						
Changes to the Measure This measure was revised in the 2006/07 – 2008/09 Service Plan, for clarity and specificity.						

Ministry Goal 3: A dynamic creative economy in which British Columbians participate and showcase their diverse culture, heritage and arts.

Arts, culture and heritage bring people together, enriching their lives and cultivating a sense of community. These important sectors foster creativity, innovation, social awareness, cultural understanding and personal well-being.

In 2005/06, the ministry worked with a range of stakeholders to ensure that the culture, heritage and film sectors made a strong contribution to British Columbians and the economy. The ministry worked to improve the competitiveness and sustainability of the arts and cultural sector by providing policy, program and funding support. With respect to heritage places, buildings and archaeological sites, the ministry worked to ensure a balance between protecting these sensitive assets and enabling responsible development. It encouraged appreciation of and commitment to sustainability and stewardship by engaging with, and building the capacity of, its partners. It also implemented policies and strategies to protect and maintain B.C.'s unique resources. Finally, the ministry focused on marketing and promoting the province's advantages and opportunities as a world-class motion picture production centre.

This goal supports government's Great Goal of making B.C. the best-educated, most literate jurisdiction in Canada. By encouraging involvement in the arts, which has been shown to improve intellectual capacity, learning outcomes and creative thinking, the ministry promotes the development of an educated citizenry essential to a knowledge-based society. In addition, the ministry's work to preserve and promote heritage, cultural and archaeological sites, historical commemorations and celebrations provides valuable learning opportunities for all British Columbians.

Core Business Area: British Columbia Film Commission.

Objective 1: British Columbia's arts and film industries capture a strong share of the global market.

Marketing and promoting the province as a world-class motion picture production centre increases trade and investment in the billion dollar motion picture industry. The Film Commission strives to provide world-class front line customer service with timely, effective and efficient production support. It also educates federal, provincial and local governments and agencies about the motion picture industry and its benefits to the people of British Columbia.

The following strategies were carried out in an effort to achieve the objective and goal:

Strategies:

- **Facilitating inbound investment into high-growth, high-opportunity sectors.** Film production investment creates jobs in multiple industry sectors, fuels small business growth and provides ancillary economic benefits throughout the province.
- **Arranging trade missions and provincial participation in key international events.** Marketing British Columbia as a world-class production centre and promoting its diverse locations, skilled labour and film industry infrastructure to the global marketplace helps to bring new film, television and commercial projects to the province.
- **Organizing trade efforts to promote the province as a competitive motion picture centre.** The BC Film Commission (BCFC) works in partnership with BC Film, the Motion Picture Production Industry Association of BC, regional film commissions and other industry stakeholders to coordinate industry development and promotion initiatives, encourage sustainability and strengthen B.C.'s competitiveness in the global market.
- **Developing marketing and promotional strategies to raise awareness of competitive advantages and opportunities throughout the province.** Promoting the province as a world-class motion picture production centre increases awareness of B.C.'s production capabilities and creative talent base, thereby increasing the sector's contribution to a creative economy.
- **Providing high-quality production support.** This increases client satisfaction and attracts repeat business to the province.

Progress on achieving the objective and strategies includes:

- In 2005, total production activity in B.C. grew 54 per cent, with production expenditures increasing from \$801 million in 2004 to \$1.2 billion in 2005.
- Between October 2005 and the end of March 2006, more than 100 projects were in production in B.C. including 23 television series, four animated series, two mini-series, seven pilots, 22 movies of the week, 41 feature films and five shorts.
- To market B.C. as world-class production centre, the ministry attended and/or participated in a number of trade shows and marketing events including:
 - the Independent Film Market Trade Show in New York in October 2005;
 - the Vancouver International Film Festival and Trade Forum in October 2005; and
 - an industry sponsored marketing event at the Los Angeles Consul General Residence in December 2005.
- The ministry carried out a number of industry development and promotion initiatives including:
 - assessing the cost competitiveness of B.C.'s film and television production industry, in partnership with the Vancouver Economic Development Commission;
 - promoting B.C.'s motion picture industry at the Council of Tourism Associations conference in Penticton in February 2006;

- attending the UBCM Economic Development Conference in March 2006; and
- profiling the accomplishments of B.C.'s film and television industry at the Motion Picture Production Industry Association of BC's Motion Picture Industry Forum in March 2006.
- High-quality production services provided to industry clients included:
 - 97 script breakdowns from October 1, 2005 to March 31, 2006;
 - 210 customized digital location packages for clients using BCFC's Film Director (Oct/05 – Mar/06);
 - enhancements to the BCFC digital image library to include more than 8,800 locations and 152,000 digital images in partnership with property owners, regional film commissions, location scouts and production personnel;
 - 29 project specific location scouts and surveys to help producers assess locations of interest throughout the province; and
 - ongoing information, path-finding and liaison services to production companies regarding local services, infrastructure, labour, and tax credits.

Performance Measures:

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance
Client satisfaction with film production services offered in B.C.	n/a	n/a	n/a	Measure developed	Measure not developed	Target not met
Selection Rationale An exit survey to be completed by producers was planned, to assess the degree of client satisfaction with BC Film Commission services and supports. A high satisfaction rate would strengthen British Columbia's reputation as a preferred film and TV location, further enabling B.C. to capture a strong share of the global market. However, the survey was not implemented.						
Variance Explanation The BC Film Commission faced larger than expected film production activity during the fall and winter months. Given limited resources as well as demonstrated client satisfaction, BCFC resources were focused on meeting increased client demand.						
Data Sources and Issues Internal data						
Changes to the Measure Although the BC Film Commission has done preliminary work on developing a measure of client satisfaction for its internal business planning process, this measure has not been included in the 2006/07–2008/09 Service Plan because the ministry has reduced its overall set of measures. See Appendix 3 for more information on changes to the performance measures in the 2006/07–2008/09 Service Plan.						

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance
Film production investment in B.C. relative to market and capacity	\$993 million in production investment – relationship to capacity unknown	\$1.404 million in production investment – relationship to capacity unknown	\$801 million in production investment – relationship to capacity unknown	Measure developed	Measure was not developed, although research was conducted	Target not met

Selection Rationale

This measure indicates how successful the province is in attracting business in the motion picture industry, in relation to market and capacity. Production activity in 2005 increased by 54% over 2004 to \$1.2 billion and over 80% of film production investment was foreign based, demonstrating B.C.'s strong international competitiveness as a production destination.

Variance Explanation

Developing the measure was difficult given that competing jurisdictions have different methods of capturing film and television production activity. A combination of indicators may be required to effectively measure progress.

Data Sources and Issues

The BC Film Commission collects calendar year data on the number of film and television productions and total spending in the province. Data is collected by production type on a province-wide basis. In other jurisdictions, production statistics are collected and reported differently, making comparisons difficult.

Changes to the Measure

Although the BC Film Commission continues to explore alternative ways to gauge success through its internal business measures, this measure will not be included in the 2006/07–2008/09 Service Plan because the ministry has reduced its overall set of measures. See Appendix 3 for more information on changes to the performance measures in the 2006/07–2008/09 Service Plan.

Core Business Area: Arts, Culture and Heritage.

Objective 2: A vital and sustainable artistic and cultural sector that contributes to the quality of life and economic development of B.C.

Cultural activity is one of the key pillars of a healthy community and will be an area of pride for our province leading up to and after the 2010 Olympic and Paralympic Winter Games. The ministry works to support the realization of social and economic benefits through arts and cultural development, a thriving cultural sector and the growth of a cultural economy.

The following strategies were carried out in an effort to achieve the objective and goal:

Strategies:

- **Providing policy, program and administrative support for the BC Arts Council.** The BC Arts Council is the primary vehicle supporting arts and cultural development in the province. The effective, efficient and transparent management of its administrative, evaluative and policy development processes is essential to achieving a dynamic creative economy in which British Columbians participate and showcase their diverse cultures, heritage and arts.
- **Managing the Olympic Arts Fund.** The fund was established to prepare communities to showcase B.C. arts and culture in 2010 and beyond, ensuring a lasting contribution to the artistic and economic development of the province.
- **Supporting the Centre for Not-for-Profit Sustainability.** The centre provides organizational development and strategic planning assistance to enhance capacity and sustainability of a range of not-for-profit sectors including arts and heritage, Aboriginal initiatives, the environment and social services.
- **Undertaking initiatives that support the development of a vital and competitive cultural industry and sector.** Competitive film, television, publishing, music and design industries (the cultural industries) are essential components of a creative economy.

Progress on achieving the objective and strategies includes:

- Working with the BC Arts Council, the ministry successfully managed the delivery of more than 30 Arts Council programs in 2005/06. The council received 1,757 requests for funding through these programs and provided 901 awards totaling \$14 million in more than 225 communities throughout the province.
- In addition to delivering its existing programs, the BC Arts Council introduced a new Arts-Based Community Development program for implementation in 2006/07.
- Through the Spirit of BC Arts Fund, the Spirit of BC Opportunities Program provided 59 awards, totaling \$425,000, to assist arts and cultural organizations to realize creative projects that contribute to the development of arts and culture in British Columbia.
- Also through the Spirit of BC Arts Fund, the Spirit of BC Commissioning Program provided 25 awards, totaling \$185,000, to assist arts and cultural organizations throughout the province to commission and develop the creation of original works of art by BC-based professional artists.
- The Aboriginal Cultural Tourism Blueprint Strategy, a new strategic planning and development initiative for Aboriginal arts and culture, was developed and will be implemented in 2006/07.

Performance Measures:

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance
Olympic Arts Fund programs completed	n/a	n/a	n/a	Olympic Arts Fund strategy and programs implemented	Olympic Arts Fund strategy and programs implemented	Target met
Selection Rationale The Olympic Arts Fund was established to prepare communities to showcase B.C. arts and culture in 2010 and beyond. Its programs support arts and cultural organizations to implement creative projects that contribute to the development of B.C.'s creative economy. The measure is limited insofar as the available budget is modest, relative to demand. The program has capacity to measure quantitative investment and geographic reach, but limited capacity to assess outcomes of investments in the short term. The risk was that demand would significantly exceed available resources. This risk materialized but did not interfere with achievement of the performance target.						
Variance Explanation n/a						
Data Sources and Issues Applications to the program are tracked through the Grants Tracking Management System (GTMS) of the Cultural Services Branch.						
Changes to the Measure This measure has not been included in the 2006/07 – 2008/09 Service Plan because it was an output for the 2005/06 year, and because the ministry has reduced its overall set of measures. See Appendix 3 for more information on changes to the performance measures in the 2006/07 – 2008/09 Service Plan.						

Core Business Area: Art, Culture and Heritage.

Objective 3: Effective stewardship of British Columbia's heritage properties brings economic benefits and a sense of pride and identity to communities.

Through effective stewardship of heritage property, British Columbia communities can contribute to long-term, sustainable use of these resources. Local governments, community organizations and industry all play a role in protecting and conserving British Columbia's historical assets. Since these assets are managed by communities, the ministry works to build capacity for, and commitment to, sustaining these valued resources through local governments and community organizations.

The following strategies were carried out in an effort to achieve the objective and goal:

Strategies:

- **Engaging other ministries and Crown agencies, local communities, the federal government, non-profit organizations and the private sector in bringing people together to celebrate the province's 150th anniversary in 2008, an exciting milestone and unique opportunity to showcase the heritage, arts and culture of the province.** 2008 will mark British Columbia's 150th anniversary as a Crown Colony. Increasing awareness of the province's history and culture will help preserve and present B.C.'s historical and cultural diversity to residents and visitors and leave a legacy of infrastructure investments.
- **Initiating planning studies for new museum opportunities.** Museums showcase British Columbians' diverse culture, heritage and arts to domestic and international visitors. New museums contribute increased social and economic benefits to local communities.
- **Assisting local governments to plan, develop, manage and evaluate heritage programs.** Facilitating and enhancing community involvement, capacity and control in the delivery of heritage programs ensures local commitment to sustaining heritage resources throughout the province. The Historic Places Initiative provides funding to community's and third parties to register historic places with the Canadian Register of Historic Places. Registration indicates a community's commitment to the promotion of local heritage resources.
- **Devolving and/or transferring operating and non-operating heritage properties to qualified partners.** Implementing a multi-year process of heritage site devolution allows the ministry to find community partners that can effectively preserve and manage heritage sites.

Progress on achieving the objective and strategies includes:

- The ministry undertook the initial and extensive planning activities required for development of the new museum opportunities identified in the February 2006 Throne Speech. These include a new Asia-Pacific Museum of Trade and Culture, a new National Gallery of Aboriginal Art and a World Women's History Museum.
- The ministry worked to build the capacity of local governments and communities through the implementation of community-based strategic planning and funding programs.
- The ministry completed the devolution of the final operating heritage site and began the ongoing monitoring of the 12 devolved sites to document their heritage stewardship and financial sustainability.

Performance Measures:

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance
Number of historic places entered in the Canadian Register of Historic Places	n/a	n/a	390	1,000	626	Target not met -37.4%
Selection Rationale Registration makes some properties eligible for federal financial incentives to further urban revitalization, community sustainability and tourism development opportunities. Registration is also important because it indicates that properties conform to national standards and guidelines for the documentation and conservation of historic places. Increases in the number of registrations indicate a growing commitment by third parties, mainly local governments, to the promotion of local heritage resources through the publicly accessible Canadian Register of Historic Places (CRHP). Growth in the CRHP furthers federal goals to make heritage resources more widely recognized and appreciated. The target is based on the funding available from the Federal/Provincial Historic Places Initiative, which finances the documentation activities of the register through third party agencies, primarily local governments. It is also based on the number of local governments willing/able to participate in the program and availability of ministry staff resources to vet, finalize and post the completed registrations to the CRHP website.						
Variance Explanation The number of registrations is affected by the ability of third party agencies to meet submission timelines, and by the ministry's ability to finalize submissions.						
Data Sources and Issues The ministry finalizes all historic place entries posted to the register and maintains the count as part of its ongoing management of the B.C. portion of the CRHP.						
Changes to the Measure Although the ministry will continue to monitor this measure internally, this measure has not been included in the 2006/07–2008/09 Service Plan because the ministry has reduced its overall set of measures.						

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance
Percentage of community based heritage properties that meet or exceed site-management standards	n/a	n/a	92%	100%	60%	Target not met - 40%
Selection Rationale All sites are inspected annually. Favourable inspection reports indicate that community partners are successfully preserving and managing heritage properties within the terms of Heritage Site Management Agreements and within the financial resources available both internally and from the province as the owner of the assets. Unfavourable inspection reports indicate that sites are deficient in some key areas of operation and management, with respect to the management agreements and recognized standards of heritage stewardship. Results are based on monitoring to the standards required by the agreements and applicable provincial policies. Allowance is made for deficiencies that result from financial limitations affecting the manager's ability to operate the sites as they used to be or as stakeholders wish them to be. A limitation of this measure is that inspections are based on subjective evaluations.						
Variance Explanation Some of the sites are experiencing financial challenges. These relate to an inability to cover operating and stewardships costs within the financial resources that can be raised from visitors and other funding sources. These financial pressures can lead to deficiencies with respect to adequate heritage stewardship or an inability to meet community expectations.						
Data Sources and Issues The Heritage Branch monitors each site for heritage stewardship, financial reporting and capacity, site preservation and presentation, and community connectedness and appreciation.						
Changes to the Measure Although the ministry will continue to monitor this measure internally, this measure has not been included in the 2006/07 – 2008/09 Service Plan because the ministry has reduced its overall set of measures.						

Objective 4: B.C.'s archaeological resources are protected and preserved, while also accommodating economic development.

The ministry provides specialized advice on archaeological issues and fulfills the regulatory role of archaeological permitting. The information and advice provided to other ministries helps them fulfill their respective mandates with respect to various industries and activities including forestry, energy and mines, land tenuring and disposition, land development and subdivisions. It also promotes and encourages the residents of British Columbia to value this important part of our collective past that still has so much to teach us.

The following strategies were carried out in an effort to achieve the objective and goal:

Strategies:

- **Offering decision support advice on archaeology for planning and land use forums, and protection of archaeological sites:** This strategy was chosen as it most directly supports the objective. By providing professional advice and guidance at the land planning stage, the ministry is in the best position to protect archaeological sites and ensure development can proceed with limited interruptions.
- **Providing leadership and expertise in capturing, managing and providing access to archaeological site information:** The provincial register of archaeological information includes facts about each site, as well as a spatial representation of its location. This information allows external planning agencies to identify conflicts between protected sites and proposed developments in advance, thereby ensuring that archaeological resources are protected and preserved, while accommodating development.
- **Assisting in the growth of cultural tourism as visitors look for unique, authentic experiences that teach them about the early life of the province:** Supporting the First Nations in their development of heritage and cultural resources and programs as this serves as a vehicle to strengthen communities socially and economically while enhancing tourism opportunities.

Progress on achieving the objective and strategies includes:

- In 2005, the ministry provided professional advice and guidance regarding archaeological sites to 40 environmental assessment projects involving the following industries: energy (15 projects), mining (17), tourism destination resorts (2), transportation (3), waste disposal (2) and water management (1).
- The ministry also participated in the review of five Water Use Plans for BC Hydro. This participation supports BC Hydro to conserve archaeological sites by mitigating the impacts of its operations.
- The ministry was among the stakeholders supporting the development of the Aboriginal Cultural Tourism Blueprint by the Aboriginal Tourism Association of BC.

Performance Measures:

Performance Measure	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2005/06 Actual	Variance
Number of land use projects proceeding under permit	404	418	440	500	489	Target met -2%

Selection Rationale

These permits allow for the authorized inspection, investigation and alteration of archaeological sites. These processes inform other land use activities including forestry, oil and gas development, subdivisions and private property development. The number of permits issued is an indication of the number of sites protected from unintentional disturbance.

While the measure reflects the ministry's efforts to accommodate economic development, it does not clearly demonstrate the other efforts to protect and preserve archaeological sites such as the dissemination of site location information to allow industry to avoid a site, or the provision of professional advice to law enforcement agencies to facilitate compliance.

The risk associated with this measure is that while it can be viewed as positive that more permits are issued each year, this growth increases demand on resources. That can result in delays in issuance and a resulting delay in economic activity. Mitigation of the risk involved streamlining permitting processes and providing ongoing advisory sessions with external consultants to reduce errors (a further reason for delays in processing) and to develop mechanisms to expedite permitting.

Variance Explanation

n/a

Data Sources and Issues

The data source for this measure is an internally maintained Permit Tracking application. The data is collected as applications for permits are received and processed.

Changes to the Measure

Although the ministry will continue to monitor this measure internally, this measure has not been included in the 2006/07 – 2008/09 Service Plan because the ministry has reduced its overall set of measures.

Deregulation

The Ministry of Tourism, Sport and the Arts has supported the government wide regulatory reform effort by maintaining a zero per cent increase to the regulatory burden throughout 2005/06 to help ensure that British Columbia's regulatory climate is enabling and strategic. Moreover, several streamlining initiatives were underway during the year to further reduce the ministry's regulatory burden:

- Organizational changes resulting from the devolution of heritage sites and the elimination of the BC Heritage Trust, means a number of requirements can be removed;
- Duplicative processes are being eliminated as a result of the harmonization of provincial and local government resort approval processes;
- A single approval agency for resort development is being created following the legislated transfer of timber harvesting authorities within Controlled Recreation Areas from the Ministry of Forests and Range to the Ministry of Tourism, Sport and the Arts; and
- Commercial tourism and recreation policies and procedures will be streamlined following the development of a comprehensive Commercial Tourism and Recreation framework.

Report on Resources

Resource Summary 2005/06

	Estimated	Other Authorizations ¹	Total Estimated	Actual	Variance
Operating Expenses (\$000)					
Arts, Culture and Heritage ²	23,603	5,000	28,603	28,310	(293)
Sport, Recreation and Volunteers ²	13,225		13,225	14,498	1,273
Tourism and Resort Development	7,972		7,972	7,669	(303)
BC Film Commission	1,275		1,275	1,302	27
Transfers to Crown Corporations and Agencies	131,105	4,000	135,105	131,292	(3,813)
Executive and Support Services	2,637		2,637	2,061	(576)
Total	179,817	9,000	188,817	185,132	(3,685)
Full-time Equivalents (FTEs)					
Arts, Culture and Heritage	40		40	36	(4)
Sport, Recreation and Volunteers	6		6	7	1
Tourism and Resort Development	50		50	44	(6)
BC Film Commission	7		7	9	2
Executive and Support Services	11		11	8	(3)
Total	114		114	104	(10)
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)					
Arts, Culture and Heritage ²	23		23	12	(11)
Tourism and Resort Development	1,335		1,335	1,180	(155)
Executive and Support Services	50	400	450	470	20
Total	1,408	400	1,808	1,662	(146)

¹ Other Authorizations are Contingency Vote Access of \$9,000,000 in Operating Budget and \$400,000 in Capital Budget.

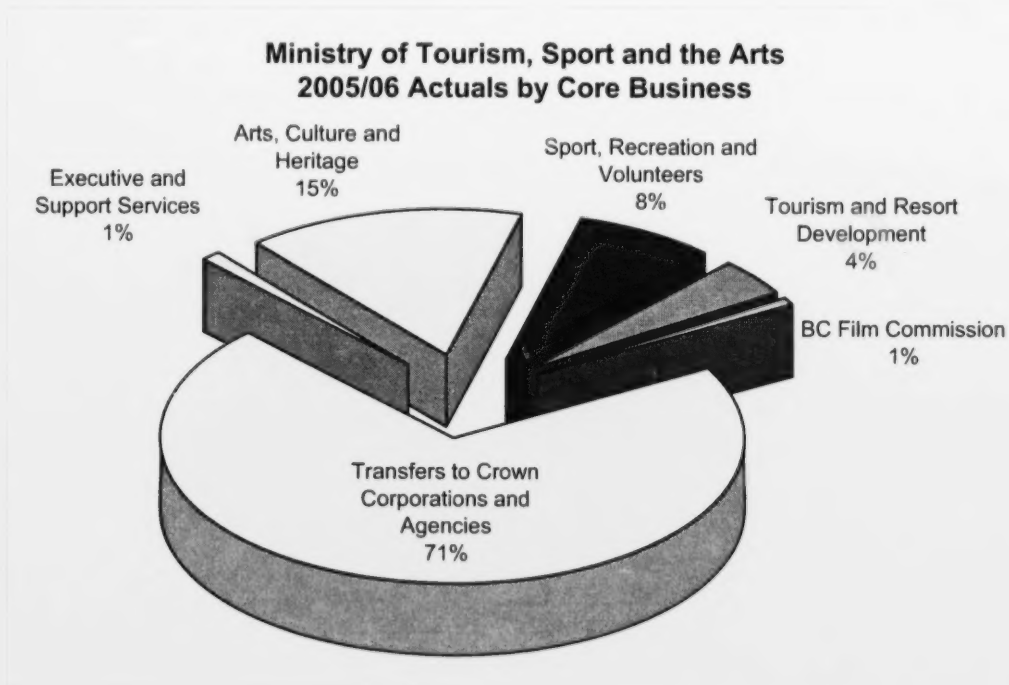
² Includes Special Accounts

A total of \$9 million was approved for Contingency Vote operating budget access: \$5 million for planning for the Vancouver Cultural Precinct, \$1.5 million towards funding the Crystal Garden roof remediation and \$2.5 million to fund BC Pavilion Corporation's forecasted operating loss.

\$400,000 was approved for Contingency Vote capital budget access for costs associated with the formation of the new ministry.

The Sport, Recreation and Volunteers Division was over budget by \$1.3 million as a result of payments to the Grey Cup and grants to the Spirit of BC Community Committees. Transfers to Crown Corporations and Agencies was under budget by \$3.8 million due to savings from a lower than forecasted grant to Tourism BC and a lower than forecasted operating loss of the BC Pavilion Corporation.

Of the ministry's expenditures, 71 per cent fell under the core business area Transfers to Crown Corporations and Agencies.

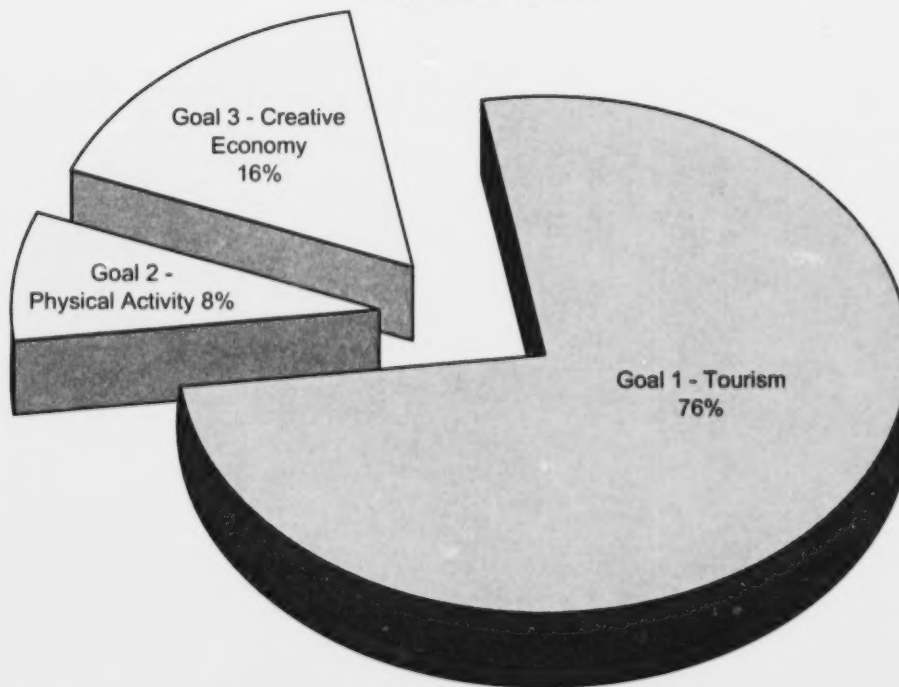


Ministry Expenses by Goal

Ministry Goals	Operating Expenses (\$000)
1. A flourishing sustainable tourism industry where domestic and international visitors enjoy B.C.'s diverse range of natural experiences and network of tourism and world class resort facilities.	140,526
2. British Columbians reap the full benefits of physically active lifestyle, achieve sustained excellence in competitive sport and experience lasting benefits from hosting world-class sporting events.	14,661
3. A dynamic creative economy in which British Columbians participate and showcase their diverse culture, heritage and arts	29,945
Total	185,132

Transfers to Crown Corporations and Agencies expenses are included in Goal 1.
Executive and Support Services expenses are included in the 3 Goals on a prorated basis.

**Ministry of Tourism, Sport and the Arts
Expenses by Goal**



Annual Report Appendices

Appendix 1: List of Crowns, Agencies, Boards and Commissions

BC Arts Council
BC Games Society
BC Pavilion Corporation
Provincial Capital Commission
Royal BC Museum Corporation
Tourism BC
Vancouver Convention Centre Expansion Project Ltd.

Appendix 2: List of Legislation Administered by the Ministry

Arts Council Act
Capital Commission Act (insofar as it relates to the portfolio of the minister)
Forest and Range Practices Act (ss. 56, 57, 58, 118(2)(d), and 148 except in relation to public money (other than fines) and the administration of deposits and securities payable)
Heritage Conservation Act
Hotel Guest Registration Act
Hotel Keepers Act
Hunting and Fishing Heritage Act
Motor Vehicle (All Terrain) Act
Museum Act
Recreational Facility Act
Resort Timber Administration Act
Tourism Act
Tourism British Columbia Act
Vancouver Tourism Levy Enabling Act

Appendix 3: Table of Changes — 2005/06 Update Compared to 2006/07

The ministry has refined its goals and created new objectives which are more focused and more clearly linked to the key outcomes that the ministry is working to achieve. They are also more closely aligned with government's Great Goals.

The Guidelines for Ministry 2006/07 – 2008/09 Service Plans require that ministries have no more than 12 performance measures. The ministry's measures have been revised to better reflect Treasury Board requirements to focus only on key aspects of performance. They also better reflect the ministry's revised goals and objectives. Many of the measures that were omitted from the Service Plan continue to be important to the ministry's work and may continue to be used in internal business plans.

The following tables outline the changes to the goals, objectives and performance measures in the 2006/07 – 2008/09 Service Plan.

Goals and Objectives 05/06 September Service Plan Update		Goals and Objectives 06/07 February Service Plan	
Goal	Objective	Goal	Objective
1. A flourishing sustainable tourism industry where domestic and international visitors enjoy B.C.'s diverse range of natural experiences and network of tourism and world-class resort facilities.	1. A competitive, sustainable tourism sector that supports a strong diverse economy and job creation across all regions of the province. 2. B.C.'s natural resources support sustainable economic development of commercial and non-commercial nature-base recreation.	1. A tourism sector that delivers lasting regional economic and social benefits.	1.1 Strategic and collaborative relationships to support tourism growth. 1.2 Expanded exposure and appeal as a quality world-class destination, through progressive market and product development. 1.3 Tourism, sport, arts, culture and heritage sectors fully leverage the opportunities presented by the 2010 Olympic and Paralympic Winter Games.

Goals and Objectives 05/06 September Service Plan Update		Goals and Objectives 06/07 February Service Plan	
Goal	Objective	Goal	Objective
2. British Columbians reap the full benefits of a physically active lifestyle, achieve sustained excellence in competitive sport and experience lasting benefits from hosting world-class sporting events.	1. British Columbian's participation levels increase as they embrace sport and physical activity as a way of life. 2. Provincial athletes are supported in their pursuit of excellence and achieve sustained personal-best results in national and international competition. 3. The province attracts world-class sport events enriching sport-tourism opportunities and accruing lasting benefits from major events such as the 2010 Olympic and Paralympic Winter Games.	2. Vibrant and creative communities in which people have diverse opportunities to participate in recreation, sport, arts and culture.	2.1 Dynamic and sustainable sport, arts, culture and heritage sectors. 2.2 An integrated and accessible range of sport, arts, culture, and heritage products, events, festivals and destinations with strengthened contributions to the provincial economy. 2.3 A physically active population where citizens have diverse opportunities to participate and excel in recreations and sport. 2.4 Citizens are supported in contributing to the well-being of their communities through volunteerism.

Goals and Objectives 05/06 September Service Plan Update		Goals and Objectives 06/07 February Service Plan	
Goal	Objective	Goal	Objective
3. A dynamic creative economy in which British Columbians participate and showcase their diverse culture, heritage and arts.	1. British Columbia's arts and film industries capture a strong share of the global marketplace. 2. A vital and sustainable artistic and cultural sector that contributes to the quality of life and economic development of B.C. 3. Effective stewardship of British Columbia's heritage properties brings economic benefits and a sense of pride and identity to communities. 4. B.C.'s archaeological resources are protected and preserved, while also accommodating economic development.	3. Effective joint stewardship of British Columbia's outdoor recreational resources and heritage.	3.1 Shared commitment to effective stewardship that enables the protection and management of British Columbia's heritage assets and tourism-related resources in a balanced and sustainable way. 3.2 Effectively maintain British Columbia's historic places and recreation sites and trails.

Goals and Objectives 05/06 September Service Plan Update		Goals and Objectives 06/07 February Service Plan	
Goal	Performance Measures	Goal	Performance Measures
1. A flourishing sustainable tourism industry where domestic and international visitors enjoy B.C.'s diverse range of natural experiences and network of tourism and world-class resort facilities.	• Vision for sustainable tourism: (Measure not included in the 06/07 Service Plan because the vision was developed in the 05/06 year). • Completion of a Tourism Charter: (Measure dropped from 06/07 Service Plan because the measure was not appropriate for use over consecutive years). • All Season Resorts revenues to government: (Measure was modified in the 06/07 Service Plan to more accurately reflect the value of new All Season Resorts investments). • Commercial Recreation revenues to government: (Measure was kept in the 06/07 Service Plan but modified to more accurately reflect the value of new Commercial Recreation investments). • Approvals of resort development agreements: (Measure was brought forward to the 06/07 Service Plan): – Master Development Agreements. – Other Resort Development Agreements. • Percentage of commercial recreation land tenures processed within 140 days: (Measure not included in 06/07 Service Plan, but will continue to be used for internal business planning). • Percentage of surveyed customers who are satisfied with All Seasons Resorts and Commercial Recreation services: (Client satisfaction will be monitored, but measure was not brought forward in 06/07 Service Plan because the ministry has reduced its set of measures).	1. A tourism sector that delivers lasting regional economic and social benefits.	• New outcome measures for assessing growth in the tourism sector. • Dollar amount of new capital investment (All Seasons Resorts and Commercial Recreation). • Approvals of resort developments. • Percentage of ministry-led sector planning processes that include 2010 Games focus.

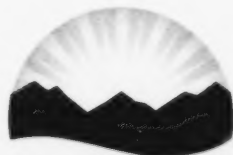
Goals and Objectives 05/06 September Service Plan Update		Goals and Objectives 06/07 February Service Plan	
Goal	Performance Measures	Goal	Performance Measures
2. British Columbians reap the full benefits of a physically active lifestyle, achieve sustained excellence in competitive sport and experience lasting benefits from hosting world-class sporting events.	• B.C. adults' physical activity level: (This measure was carried forward into the 06/07 Service Plan with improvement to the description). • Team BC placement in Canada Summer and Winter games: (Although the ministry will continue to monitor this measure internally, this measure has not been included in the 06/07 Service Plan because the ministry has reduced its overall set of measures). • Proportion of nationally-carded athletes training in the province: (This measure was brought forward in the 2006/07 Service Plan). • The economic impact of hosting major sport events in the province exceeds the provincial investment: (This measure was included in the 2006/07 Service Plan and was revised for clarity and specificity).	2. Vibrant and creative communities in which people have diverse opportunities to participate in recreation, sport, arts and culture.	• Self-generated revenue as a percentage of total budget in key arts and cultural organizations. • Ratio of incremental tax revenue to investment for major sport events. • Arts, Culture and Heritage Strategy. • Percentage of British Columbians who are physically active enough to derive health benefits. • Percentage of nationally-carded athletes training in the province.

Goals and Objectives 05/06 September Service Plan Update		Goals and Objectives 06/07 February Service Plan	
Goal	Performance Measures	Goal	Performance Measures
3. A dynamic creative economy in which British Columbians participate and showcase their diverse culture, heritage and arts.	• Client satisfaction with film production services offered in B.C.: (This measure was not brought forward into the 06/07 Service Plan because the ministry has reduced its overall set of measures). • Film production investment in B.C. relative to market capacity: (This measure was not brought forward into the 06/07 Service Plan because the ministry has reduced its overall set of measures, and this measure is still in the preliminary stages of development). • Olympic Arts Fund strategy completed: (This measure was not brought forward into the 06/07 Service Plan because it was an output for the 05/06 year). • Number of historic places entered in the Canadian Register of Historic Places: (Although the ministry will continue to monitor this measure internally, it has not been included in the 06/07 Service Plan because the ministry has reduced its overall set of measures). • Percentage of community-based heritage properties meeting or exceeding standards: (Although the ministry will continue to monitor this measure internally, it has not been included in the 06/07 Service Plan because the ministry has reduced its overall set of measures). • Number of land use projects proceeding under permit: (Although the ministry will continue to monitor this measure internally, it has not been included in the 06/07 Service Plan because the ministry has reduced its overall set of measures).	3. Effective joint stewardship of British Columbia's outdoor recreational resources and heritage.	• Number of local governments committed to the stewardship of community heritage. • Number of recreation sites receiving regular maintenance.



*Ministry of
Transportation*

**2005/06
Annual Service Plan Report**



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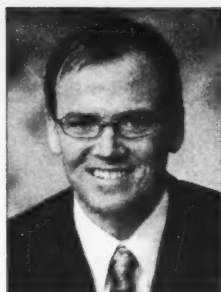
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For more information on the British Columbia
Ministry of Transportation, contact:

PO BOX 9850
STN PROV GOVT
VICTORIA BC
V8W 9T5
CANADA

or visit our website at
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Message from the Minister and Accountability Statement

The Ministry of Transportation is strengthening B.C.'s network of roads, railways, ports and airports in every region. Our modernized transportation network will keep travellers safe, reduce congestion and pollution, and let our industries and shippers meet the needs of their customers, which will create jobs and stimulate trade. We are protecting and expanding access to vital services such as health care, schools, special needs and recreation. Each improvement brings us closer to achieving the government's Five Great Goals and the prosperity of a Golden Decade.

To construct the infrastructure this province urgently needs, we are investing \$2.3 billion over three years. The award-winning Sea-to-Sky Highway Improvement Project is ahead of schedule. The second phase of the Kicking Horse Canyon Project is revitalizing this crucial connection to the rest of Canada. The new William R. Bennett Bridge will bring more tourists and trade into the Okanagan. Communities across B.C. are expanding and enhancing their ports and airports, thanks in part to our Transportation Partnerships Program.

We have also unveiled a \$3 billion Gateway Strategy to open up key economic gateways through the Lower Mainland. Traffic will flow smoothly and safely again, bringing economic growth across B.C. and Canada.

Commercial Vehicle Safety and Enforcement is now a ministry responsibility. We will make sure drivers can continue to have full confidence in the safety of both our highways and commercial vehicles.

Everyone in the province is likely to see firsthand improvements to transportation safety, traffic flow and economic development. Projects like the Heartlands Oil and Gas Road Rehabilitation Strategy, the new avalanche control system in Kootenay Pass and the upgrade of our provincial weigh scales are keeping our transportation network efficient and safe. We are also massively investing in rebuilding roads to let communities affected by the mountain pine beetle gather the greatest possible economic benefit from this devastating outbreak.

A province's transportation network is the backbone of its economy and communities. You can be sure that we are making the investments we need today so all of us can make the most of B.C.'s future.

The 2005/06 Ministry of Transportation Annual Service Plan Report compares the actual results to the expected results identified in the ministry's 2005/06-2007/08 Service Plan Update. I am accountable for those results as reported.

A handwritten signature in dark ink, appearing to read 'Kevin Falcon', written over a light background.

Honourable Kevin Falcon
Minister of Transportation

June 30, 2006

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Kicking Horse Canyon New Yoho (5-Mile) Bridge

Highlights of the Year

Our investments in British Columbia's transportation infrastructure will strengthen our economy, improve safety, and enhance the flow of goods and people throughout the province and across our borders.

In 2005/06, the provincial government directly invested \$731 million in B.C. transportation improvement projects and undertook other initiatives to strengthen our transportation industries. The ministry co-operated with its federal, provincial, regional, municipal, First Nations and private sector partners to protect and expand the transportation network. Some important highlights of 2005/06 are listed below.

Kicking Horse Canyon

From Golden to Yoho National Park, this multi-phase project will upgrade 25 kilometres of the Trans-Canada Highway to a modern four-lane standard. The project will make this important national gateway safer and will allow traffic to flow more smoothly. Achievements in 2005/06 include:

- Signing a private partnership agreement for construction of the Park (10-Mile) Bridge; and
- Nearing completion on the Yoho (5-Mile) Bridge.

Sea-to-Sky Highway Improvement Project

The project improves the safety, reliability and capacity of the scenic highway between Horseshoe Bay and Whistler. It also supports the provincial commitment for the 2010 Olympic and Paralympic Winter Games. Achievements in 2005/06 include:

- Signing a partnership agreement with the S2S Transportation Group;
- Substantially completing the Ansell Place to Kelvin Grove section, ahead of schedule;
- Extensive and proactive consultation with the public, business groups, First Nations, municipal officials and regulatory agencies; and
- Several awards including the Institute of Transportation Engineers award for technical achievement, the Canadian Council for Public-Private Partnerships award for innovation and excellence in public-private partnerships and financing, the Canadian Consulting Engineering award for excellence, and the Consulting Engineers of B.C. award for merit.



STS Hwy — Building Retaining Wall

William R. Bennett Bridge and Approaches

The Okanagan Lake crossing area has the highest traffic congestion in the Interior of B.C. This project replaces the existing 3-lane bridge with a new 5-lane floating bridge and fixed high level span which will provide an 18 metre-high navigation channel. The Westbank First Nation will deliver upgrades to a full movement interchange at Campbell Road.

Milestones for 2005/06 include:

- Signing a partnership agreement with SNC Lavalin for the bridge;
- Substantially completing the dry-dock; and
- Commencing preliminary design for the Campbell Road Interchange.

Gateway Program

The program focuses on reducing congestion and facilitating public transit throughout Greater Vancouver. The planned improvements along and across the Fraser River represent an estimated investment of \$3 billion and are targeted for completion by 2013. In 2005/06, the program met these important milestones:

- Released the Program Definition Report;
- Posted the Pitt River Bridge and Mary Hill Interchange Request for Qualifications;
- Completed public consultation on the South Fraser Perimeter Road section between 80th Street and the Alex Fraser Bridge; and
- Commenced pre-design consultation on the Port Mann/Highway 1 Project.

Asia-Pacific Gateway

Asia-Pacific to North America container traffic is expected to expand by 300 per cent over the next 15 years. B.C. intends to capture a significant share of this market growth through its Pacific Gateway Strategy, which calls for new and expanded transportation links to the Pacific through the Port of Prince Rupert and the Port of Vancouver.

A one per cent increase in container traffic through B.C. ports would create roughly 4,000 new jobs and provide \$250 million per year in economic benefits for B.C. By 2020, the port industry alone could grow to support 50,000 jobs, pumping \$1.7 billion into the provincial economy.

In 2005, Minister Kevin Falcon joined a transportation trade mission to the People's Republic of China, B.C.'s third largest trading partner. The trade mission promoted B.C.'s competitive advantages and cultural links, and helped identify new ways to capitalize on China's massive economic growth.

Kootenay Pass Avalanche Program Improvements

The program vastly improves avalanche control on one of the most avalanche-prone highways in North America. Kootenay Pass is a vital transportation corridor in south-east B.C. The new system in this pass features Gaz-Ex cannons, a remotely-operated avalanche control system. The improvements were completed this year when the last Gaz-Ex cannon was installed. Benefits include:

- Enhanced safety for the public, maintenance contractor and ministry crews; and
- Reductions in road closure times, which translate into about a \$2 million per year cost savings for local and provincial economies.

Purpose and Vision, Mission and Values

Purpose

The Ministry of Transportation plans transportation networks, provides transportation services, develops and implements transportation policies, and administers many transportation-related acts and regulations.

To accomplish its mandate, the ministry:

- Develops provincial transportation plans to integrate various modes of transportation, in consultation with Regional Transportation Advisory Committees and in cooperation with the transportation-related Crown corporations;
- Ensures British Columbia's ports and airports are gateways for economic growth and development;
- Builds highways to fulfill the economic and social needs of British Columbians;
- Maintains existing highways to a high standard through contracts with private sector road maintenance providers;
- Undertakes vehicle safety inspections and sets commercial vehicle operating standards;
- Works with partners and other levels of government to provide cost-effective public transit and coastal ferry services;
- Manages contracts for inland ferry operations; and
- Licenses and regulates commercial passenger transportation.

Legislation governing the ministry's activities can be found on the ministry website at: http://www.th.gov.bc.ca/key_initiatives/legislation/statutes.htm.

Vision, Mission and Values

Vision

The ministry's vision is a fully integrated transportation system that advances economic and social growth, and moves goods and people within British Columbia and to markets beyond.

Mission

The ministry's mission is to:

- Create an integrated and safe transportation network that incorporates all modes of transport, reflects regional priorities, and provides a strong foundation for economic growth; and
- Maintain and improve the provincial highway system, ensuring the safe and efficient movement of people and goods provincially, nationally and internationally.

Values

- We respect regional and community goals and priorities.
- We are responsive to the needs of British Columbia business.
- We strive for excellence and innovation.
- We respect the people we serve and work with.

Ministry Values at Work

The ministry's values play an important role in guiding its everyday work.

The Ministry of Transportation established Regional Transportation Advisory Committees as a way to ensure that regional interests and views on transportation needs and priorities could be heard. The ministry responded to the needs of business by cutting regulatory requirements. Excellence and innovation are actively rewarded under the contracts for maintaining British Columbia's roads and bridges. To ensure the ministry treats its employees and customers with respect, their opinions and ideas for improvement are regularly solicited. The ministry is committed to building relationships with First Nations regarding activities and decisions that might impact aboriginal interests and to resolving outstanding issues of mutual concern.

Whenever ministry employees develop new policies, design new projects or review past accomplishments, these values are the benchmark for success.



Prince Rupert Port Facilities — Loading Grain and Coal for Export

Strategic Context

Five Great Goals

The Government of British Columbia has established Five Great Goals.

1. Make British Columbia the best-educated, most literate jurisdiction on the continent.
2. Lead the way in North America in healthy living and physical fitness.
3. Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk, and seniors.
4. Lead the world in sustainable environmental management, with the best air and water quality, and the best fisheries management, bar none.
5. Create more jobs per capita than anywhere else in Canada.

The Ministry of Transportation supports these Five Great Goals in various ways. Especially relevant to the ministry is the goal to create more jobs per capita than anywhere else in Canada. Job creation depends on the success of the economy, and an efficient and effective transportation system is essential to economic growth. All of the ministry's activities support the improved performance of this system, which in turn facilitates the creation of jobs.

Factors Affecting Service Delivery

The provincial transportation system is our link with the global economy and many factors affect the business of the ministry. Factors that affected ministry service delivery in 2005/06 include the following.

- Increased population and economic activity led to a growth in transportation demand.
- Higher fuel and oil prices increased the cost of oil-based products such as asphalt, resulting in increased costs for new infrastructure and maintenance of existing infrastructure.
- Higher costs of construction material such as steel and concrete increased transportation improvement costs, particularly with respect to bridges.
- The rapid spread of the Mountain Pine Beetle accelerated timber harvesting activities, resulting in increased wear and tear on the highway system. Concerns over the state of infrastructure and service to industry led the provincial government to dedicate funding to rehabilitate deteriorating roads in the Interior.
- The ministry welcomed the addition of the Commercial Vehicle Safety and Enforcement functions. The new responsibilities provided additional tools to support economic growth and improve public safety.

Service Delivery and Core Business Areas

Service Delivery

As a knowledgeable owner, the ministry partners with private companies to accomplish its objectives. This approach ensures that we can obtain current expertise at a competitive price.

The ministry and its partners deliver services to meet the needs of:

- the travelling public;
- emergency responders, such as ambulance services and the police;
- businesses and business travellers;
- the tourism industry;
- trucking organizations;
- passenger transportation industries;
- resource industries; and
- applicants for subdivision approvals and access to highways.

Core Business Areas and Crown Corporations

Ministry responsibilities fall into five core business areas.

1. Transportation Improvements

Managing and improving the province's transportation network requires careful planning, monitoring and direction, looking decades into the future. The ministry ensures that the most pressing transportation needs in British Columbia are addressed first, so that the public's investment in transportation can bring as many benefits as possible. The Minister receives the advice of eight independent Regional Transportation Advisory Committees across the province to help identify and prioritize transportation projects.

The ministry's work in this core business area includes:

- Transportation Policy and Legislation;
- Planning, Engineering and Construction;
- Partnerships; and
- Port and Airport Development.

2. Public Transportation

The provincial government provides financial support to public transit and contracted coastal ferry services across the province. These services are vital to the economic and social

health of many communities. BC Transit is supported by annual transfers of capital and/or operating funding. This funding also supports transportation services for the disabled.

Public transit in Greater Vancouver is funded through dedicated tax revenues provided to TransLink (Greater Vancouver Transportation Authority), which is responsible for public transit in the region. Provincial funding is also committed to three new rapid transit lines in Greater Vancouver: the Canada Line connecting Richmond, the Airport and downtown Vancouver; the proposed northeast rapid transit extension (Evergreen Line); and the SkyTrain Millennium Line.

The Province pays performance-based service fees to British Columbia Ferry Services Inc. for the delivery of coastal ferry services. Many coastal communities rely on these connections to the rest of the province.

3. Highway Operations

Highway Operations keeps British Columbia's highway network safe, reliable and in good repair in some of Canada's most challenging terrain.

Highway Operations is the ministry's front line. Regional and district staff provide customer service by working directly with the public, local governments, First Nations and private partners.

The ministry's work in this core business area includes:

- Maintenance, Asset Preservation and Traffic Operations;
- Commercial Vehicle Safety and Enforcement;
- Inland Ferries; and
- Coquihalla Toll Administration.

The ministry's highway operations are divided into three regions: South Coast, Southern Interior and Northern. Each region is subdivided into districts and maintenance areas for more efficient administration. Highway maintenance is carried out by maintenance contractors in 28 areas across the province. Ministry employees manage and work closely with the maintenance contractors to ensure they meet ministry standards. Timely rehabilitation prevents more costly repairs. Highway Operations determines where investment would do the most good, resurfaces roads and bridges, replaces bridges at the end of their service lives, and performs other work to extend the life of the transportation network.

The ministry establishes and maintains effective and safe vehicle operating and equipment standards, and monitors application of these standards through the following programs: Vehicle Inspections, Dangerous Goods, *National Safety Code*, Commercial Transport and Commercial Vehicle Safety Alliance.



Winter Highway Maintenance

Freshwater ferries are a crucial part of daily life for many communities. The ministry provides access to inland ferries through private partners on 14 freshwater routes.

4. Commercial Passenger Transportation

The ministry, through the Passenger Transportation Branch, and the Passenger Transportation Board (an independent tribunal) share the regulation of commercial passenger transportation. The governing legislation, the *Passenger Transportation Act*, is designed to facilitate adequate public access to commercial passenger transportation (excluding public transit), public safety and a healthy economy.

5. Executive and Support Services

This business area supports all ministry programs through such core functions as corporate strategic planning; human resources; information systems; security; information and privacy management; and financial and administrative services.

Crown Corporations

The Minister of Transportation is responsible for the following four Crown corporations. The BC Transportation Financing Authority is addressed in this report. The other Crown corporations publish their own annual reports.

BC Transportation Financing Authority

The BC Transportation Financing Authority (BCTFA) is a provincial Crown corporation continued under the *Transportation Act*. It owns provincial highways and provides for their rehabilitation and expansion through dedicated fuel taxes and other revenues. The BCTFA can also acquire, hold, construct, or improve other transportation infrastructure throughout British Columbia.

BC Transit (<http://www.bctransit.com>)

Rapid Transit Project 2000 (<http://www.rapidtransit.bc.ca>)

British Columbia Railway Company (<http://www.bcrproperties.com/bcrco/index.html>)

Report on Performance

In order to further the provincial government's Five Great Goals, the ministry has the following goals.

1. Key transportation infrastructure is improved to drive economic growth and trade.
2. British Columbia is provided with a safe and reliable highway system.
3. British Columbia's transportation industries become more competitive.
4. Excellent customer service is achieved and the ministry is recognized as a good employer.

Summary of Results

The ministry has developed objectives and strategies to meet its high-level goals. To make sure that these strategies are effective, the ministry sets measurable performance targets for each fiscal year. This report outlines how well the ministry has met these targets.

Performance measures provide a concrete way for the public to judge the effectiveness and quality of the ministry's services. They allow the ministry to learn from its successes and find areas where new approaches are needed. The ministry is committed to providing reliable and useful information that gives an accurate picture of the ministry's performance.

The performance measures in the following table are grouped by the goals and objectives they serve.



Congestion on Highway 15 — Addressed by Border Infrastructure Project

Performance Plan Summary Table

Five Great Goals	Ministry Mission To create an integrated and safe transportation network that incorporates all modes of transport, reflects regional priorities, and provides a strong foundation for economic growth. To maintain and improve the provincial highway system, ensuring the safe and efficient movement of people and goods provincially, nationally and internationally.			
	Ministry Goals	Ministry Objectives	Performance Measures	Results
To create more jobs per capita than anywhere else in Canada.	1. Key transportation infrastructure is improved to drive economic growth and trade.	← 1. Regional and local input is used when setting transportation priorities.	← Regional Transportation Advisory Committee Satisfaction.	← Not available
		← 2. Available provincial investment dollars are used as effectively as possible.	← Private investment capital leveraged. ← Federal funding investment leveraged. ← Capital project performance: — completed on budget. — completed on schedule.	← Exceeded Target ← Mostly Achieved ← Achieved Target ← Exceeded Target
		← 3. The worsening congestion trend in urban areas is mitigated.	← Level of traffic congestion for urban highways.	← Mostly Achieved
		← 4. Improved mobility for highways servicing major economic gateways.	← Average commercial trucking travel speed between economic gateways.	← Mostly Achieved
	2. B.C. is provided with a safe and reliable highway system.	← 1. Contractors maintain the provincial highway system to a high standard.	← Maintenance cost per lane kilometre. ← Contractor Assessment Program.	← Exceeded Target ← Exceeded Target
		← 2. The main highway system is maintained and rehabilitated on a lowest life-cycle cost basis.	← Pavement condition for main highways. ← Bridge condition. ← Number of lane kilometres resurfaced.	← Mostly Achieved ← Exceeded Target ← Exceeded Target
		← 3. Improved road access for resource industries and rural residents.	← Surface condition of Heartlands roads. ← Number of lane kilometres treated.	← Exceeded Target ← Exceeded Target
		← 4. Improved highway safety and reliability.	← Crash reduction after construction on safety improvement capital projects. ← Annual total duration of unplanned highway closures.	← Exceeded Target ← Mostly Achieved
		← 5. Effective road safety enforcement, education and programs for the commercial transport industry.	← Variation from national average Out-Of-Service rate for commercial vehicles.	← Achieved Target
		← 6. An effective risk management process is established across the ministry.	← Risk management plan	← Achieved Target

Five Great Goals	Ministry Mission To create an integrated and safe transportation network that incorporates all modes of transport, reflects regional priorities, and provides a strong foundation for economic growth. To maintain and improve the provincial highway system, ensuring the safe and efficient movement of people and goods provincially, nationally and internationally.			
	Ministry Goals	Ministry Objectives	Performance Measures	Results
	3. B.C.'s transportation industries become more competitive.	1. Reduction or elimination of third party regulations and policies that impede B.C.'s ability to compete with other jurisdictions in the transportation market.	Amended Canada-U.S. air service agreement.	Achieved Target
		2. Building on the B.C.'s ports strategy as part of a Pacific Gateway Strategy.	Container Traffic Volume (Millions, TEU).	Exceeded Target
	4. Excellent customer service is achieved and the Ministry is recognized as a good employer.	1. Excellent service is provided to all British Columbians.	Customer satisfaction.	Exceeded Target
		2. Employees are provided with the support, training and working environment they need to excel at their jobs.	Employee satisfaction.	Mostly Achieved

Goals, Objectives, Key Strategies and Performance Measures

Goal 1

Key transportation infrastructure is improved to drive economic growth and trade.

Core Business Area

Transportation Improvements.

Objective 1

Regional and local input is used when setting transportation priorities.

Key Strategies

1. Create an environment in which Regional Transportation Advisory Committees (RTACs) provide the ministry with informed and independent advice.
2. Ensure RTAC advice to the Minister is included in ministry planning, program and policy initiatives and RTACs are provided with timely responses to their recommendations.

Performance Measure: Regional Transportation Advisory Committee Satisfaction

The RTACs provide annual reports to the Minister documenting their activities and recommendations. These reports identify regional needs and transportation priorities, in order to give regions a greater say in transportation planning.

Given budget constraints and policy issues, the ministry may not be able to implement all of the RTAC recommendations, particularly in the short term. Where recommendations are not feasible, the ministry provides the RTACs with explanations.

The survey of RTAC members' satisfaction with ministry consideration of their recommendations was not carried out in 2005/06 due to timing issues. The ministry is considering whether to conduct the survey in 2006/07.

Objective 2

Available provincial investment dollars are used as effectively as possible.

Key Strategy A

Develop partnerships with the private sector and municipalities in consultation with Partnerships BC, and obtain market value for surplus land.

Performance Measure 1: Private Investment Capital Leveraged

Leverage is the value of partnership contributions and net land sales revenues. This performance measure includes financial, land and/or other contributions at the time of construction from non-provincial treasury sources; such as municipalities, Crown corporations, First Nations and the private sector. It also includes the financing of projects by the private sector under Design-Build-Finance-Operate arrangements. It does not include contributions from the federal government, which are measured separately. The performance measure also includes the net value captured from land sales.

Performance Measure	2002/03 ¹	2003/04 ¹	2004/05	2005/06 Target	2005/06 Actual	2005/06 Variance
Private investment capital leveraged through public-private partnerships and defrayed or reduced costs from efficient land use.	\$15.5 M	\$24.5 M	\$26.8 M	\$90.0 M	\$132.9 M	\$42.9 M

¹ The 2002/03 and 2003/04 actuals were restated to include net land sales not associated with a specific project.

How the results are measured

The contribution/recovery from partners and the land contribution are measured against the gross cost of capital projects.

Data reliability

Results are based on financial contributions from partners, net revenue from land sales, independent valuation of other contributions, and estimates of the value of construction undertaken on Design-Build-Finance-Operate contracts.

Explanation of variance

The positive variance is primarily due to construction being ahead of schedule for a number of major projects. It is anticipated that the acceleration of actual leverage in 2005/06 may be offset by lower actual leverage amounts of approximately equal value in future years.

Key Strategy B

Solicit and obtain federal funding for transportation projects in British Columbia.

Performance Measure 2: Federal Funding Leveraged

Funding from the federal government helps British Columbia achieve longer term sustainable financing for transportation improvements.

Performance Measure	2005/06 Target	2005/06 Actual	2005/06 Variance
Federal funding investment leveraged. (Capital investment from federal government programs.)	\$64 M	\$54 M	(\$10 M)

How the results are measured

The actual figures refer to the amount of federal funding confirmed through signed British Columbia/Canada contribution agreements.

Fiscal recoveries under British Columbia/Canada contribution agreements require the projects to be implemented within an agreed-upon time frame.

Data reliability

The recoveries are based on funds actually received or accrued by the Province.

Explanation of variance

The variance is primarily due to:

- a revised cash flow schedule for the Kicking Horse Phase II Concessionaire Agreement; and
- some minor cash flow schedule changes under the Strategic Highway Infrastructure Program and the Border Infrastructure Program due to changes in scope, the addition of new projects and the weather.

The revised cash flow schedules will result in additional recoveries being incorporated into future years' targets.

Key Strategy C

Complete projects on budget and on time.

Performance Measure 3: Capital Project Performance

Meeting budgets and schedules lets the ministry make effective use of the public's investment in transportation.

Performance Measure	2005/06 Target	2005/06 Actual	2005/06 Variance
Project Performance:			
• Projects completed on budget.	97%	97%	0
• Projects completed on schedule.	90%	91%	1%

These two measures will be combined in 2006/07 to create a new measure, the percentage of projects that meet their budget and schedule.

How the results are measured

All projects under the capital program are aggregated each fiscal year to compare the planned cost of the projects to the actual cost and the scheduled progress of the projects to the actual progress. Total actual expenditures are compared to total approved budgets. Actual completion dates are compared to scheduled completion dates.

Data reliability

Very reliable. Approved budgets and schedules are compared to actual expenditures and completion dates.

Explanation of variance

The target was exceeded marginally as several contracts were completed ahead of schedule.

Objective 3

The worsening congestion trend in urban areas is mitigated.

Key Strategy

Implement cost-effective highway upgrades that improve traffic flow, reduce delay-causing crashes and add new capacity, using partnership cost-sharing where feasible.

Performance Measure: Level of Traffic Congestion for Urban Highways

This performance measure examines how often vehicles in urban British Columbia drive through a congested highway segment. The measure focuses on urban highways, as congestion generally is not a problem on rural highways.

A vehicle-kilometre is a single kilometre travelled by one vehicle. If 10 vehicles travel through the same 2 kilometres of congested highway, this counts as 20 vehicle-kilometres travelled in congested conditions.

Performance Measure	2001	2002	2003	2004	2005 Target	2005 Actual	2005 Variance
Percentage of urban vehicle kilometres travelled in congested conditions.	13.0%	13.6%	13.4%	14.6%	14.3%	14.9%	(0.6%)

Reporting of this measure will be discontinued in 2006/07 since it is difficult for readers to understand and the trend is largely outside the ministry's control.

How the results are measured

Traffic count stations monitor 12 per cent of the total urban highway length, a sample which the ministry uses to represent the entire urban system. This performance measure is calculated for the calendar year, not the fiscal year.

A highway segment is considered congested whenever traffic volumes rise over 80 per cent of the segment's peak hourly volume that year.

Data reliability

This method accounts for changing traffic volumes from year to year, changing traffic flows as a result of highway improvements or problems, and differences between urban and rural conditions. Ministry traffic count station data is quite reliable.

There are many factors outside ministry control that affect urban congestion, such as changes in population, levels of vehicle ownership, ride-sharing behaviour, and the status of adjacent non-provincial routes.

Explanation of variance

The variance is not significant given the large amount of data used in calculating this measure and the many factors that affect urban congestion.

Objective 4

Improved mobility for highways servicing major economic gateways.

Key Strategy

Improve mobility and reliability and reduce bottlenecks on major urban and rural trade corridors, using partnership cost-sharing where feasible.

Performance Measure: Average Commercial Trucking Travel Speed

The speed of approximately 1,500 heavy long-distance trucks was monitored as they travelled on primary provincial numbered highways.

Performance Measure	2004/05	2005/06 Target	2005/06 Actual	2005/06 Variance
Average commercial trucking travel speed between major economic gateways.	71 km/hr	71 km/hr	69 km/hr	(2 km/hr)

How the results are measured

The data comes from a private firm which provides tracking services to the trucking industry through the use of satellite technology. Truck locations are recorded each hour and whenever the ignition is switched off.

The overall average speed is calculated by dividing the total distance travelled by the total time elapsed. The measured speed includes mandatory stops at brake check areas and weigh scales, delays due to the effects of highway geometrics, grades, congestion, construction, incidents, weather, speed limits, truck power and weight, and any stops where the driver did not shut off the engine.

The measured speeds ranged from 32 kilometres per hour in congested urban areas to 79 kilometres per hour in uncongested rural areas.

Data reliability

The data is very reliable in terms of highway coverage (5840 km), data quantity (over 110,000 samples), temporal conditions (constant data from peak summer and shoulder autumn seasons) and location (capturing both urban and rural conditions). Unreasonably low speeds are screened out.

In the winter months, the average speeds may be higher because of lower rural traffic volumes; however, weather conditions also affect the results.

Explanation of variance

The small negative variance may indicate that urban and rural congestion is causing performance to decrease; however, it is difficult to be certain given the many factors that can affect truck travel time.

Goal 2

British Columbia is provided with a safe and reliable highway system.

Core Business Area

Highway Operations

Objective 1

Contractors maintain the provincial highway system to a high standard.

Key Strategy A

Maintain the highway system in a cost-effective way.

Performance Measure 1: Maintenance Cost per Lane Kilometre

The cost of maintenance is a substantial portion of the ministry budget. The cost per lane kilometre indicates how well the ministry is containing these costs.

The majority of the cost consists of estimated costs of road and bridge maintenance contracts, pavement marking contracts and electrical maintenance contracts. It also includes an estimate of other maintenance costs — the costs of administering the contracts and other maintenance activities performed by ministry staff (e.g., radio and electronics, some electrical maintenance and avalanche control).

Performance Measure	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06 Target	2005/06 Actual	2005/06 Variance
Maintenance cost per lane kilometre.	\$3,977	\$4,124	\$4,159	\$4,090	\$4,036	\$4,194	\$4,086	\$108

Reporting of this measure will be discontinued in 2006/07 since it is an input measure, the aggregation of which is reported in the Resource Summary section.

How the results are measured

The total allocated cost is divided by the total number of lane kilometres of road maintained.

Data reliability

Data reliability is very high. It is based on the most recent inventory data. The remainder are actual costs from the financial reports.

Explanation of variance

The ministry target was exceeded marginally as several contracts came in under budget and the districts updated their data resulting in an increase in lane kilometres.

Key Strategy B

Fully implement and review the Contractor Assessment Program (CAP), a new procedure for auditing how well highway maintenance contractors are delivering services.

Performance Measure 2: Contractor Assessment Program

Local and regional audits verify maintenance contractors' compliance with the contract terms. As well, key stakeholders in each service area are asked to rate their level of satisfaction with road maintenance. The results are combined to give an overall contractor assessment.

Performance Measure	2005/06 Target	2005/06 Actual	2005/06 Variance
Contractor Assessment Program	91%	92.6%	1.6%

How the results are measured

The CAP rating for each contractor is averaged to provide an average CAP rating. The individual contractor's rating is determined by the weighted average of the three components of CAP. The weightings are:

Performance Measures	Local assessment	Regional assessment	Stakeholder assessment	Total
Winter performance	30%	18%	12%	60%
Summer performance	20%	12%	8%	40%
Total	50%	30%	20%	100%

Data reliability

Results for 26 of the 28 contracts are included. The two remaining contracts will commence in the summer/fall of 2006.

Explanation of variance

The target was exceeded slightly. The highway maintenance contracting industry as a whole is providing good service, as evidenced by the quality audit reviews at the local and regional levels, as well as by stakeholder opinion.

Objective 2

The main highway system is maintained and rehabilitated on a lowest life-cycle cost basis.

Key Strategy A

Maintain and regularly assess the condition of the main highways to determine which needs should take priority in annual resurfacing programs.

Performance Measure 1: Pavement Condition for Main Highways

The Pavement Condition Rating is a measure of the overall surface condition of a paved road that takes into account roughness experienced by the road user and standard engineering measurements of surface distress, such as cracks, rutting and surface defects.

Performance Measure	2002/03	2003/04	2004/05	2005/06 Target	2005/06 Actual	2005/06 Variance
Pavement Condition (for main highways): • Per cent of kilometres where condition is good or excellent.	75%	75%	75%	76%	74%	(2%)

This and the lane kilometres resurfaced measure will be replaced in 2006/07 by a measure of improvements to the main highway system to offset deterioration.

How the results are measured

The ministry contracts out the collection of pavement surface condition data to contractors who use high-tech pavement evaluation vehicles that take detailed measurements at 50-metre intervals.

The pavement surface condition of primary highways is surveyed every two years. Selected secondary highways are surveyed every three years.

Data reliability

The data is collected using proven survey methodology, very specialized vehicles equipped with sophisticated monitoring equipment, and stringent quality control and quality assurance specifications.

The performance measure shows the findings of the most recent survey of the network and cannot be interpreted as a depiction of the entire highway system in any one year. The trend over several years is a better indicator of highway condition than the actual value in any one year.

Explanation of variance

The target was essentially met; the variance is negligible within the accuracy levels associated with the pavement surface condition surveys.

Performance Measure 2: Bridge Condition

Ministry employees regularly assess the condition of bridges and their components and calculate an average ranking of bridge condition.

Performance Measure	2002/03	2003/04	2004/05	2005/06 Target	2005/06 Actual	2005/06 Variance
Bridge condition: • Per cent of bridges where condition is good or excellent.	82%	85%	80%	80%	85%	5%

Reporting of this measure will discontinue for 2006/07 and beyond, as it creates the incorrect impression that our bridges requiring rehabilitation are unsafe, which is not true. Asset management and monitoring of our bridges will continue.

How the results are measured

Ministry Bridge Area Managers perform inspections throughout the year. Each bridge is inspected approximately once a year. Results are recorded in a database.

Data reliability

Bridge inspections follow published guidelines for component condition rating to ensure consistent results.

Bridge Area Managers are certified in bridge inspection through the joint ministry and British Columbia Institute of Technology bridge inspection course.

Explanation of variance

With the addition of new bridges from the Vancouver Island Highway Project into the ministry inventory, the overall percentage of bridges in good condition increased. In addition, the rehabilitation program has focused investment on bridge replacements and rehabilitation.

Key Strategy B

Rehabilitate the main highways at a level that will ensure a lowest life-cycle cost.

Performance Measure 3: Number of Lane Kilometres Resurfaced

Resurfacing extends the life of a highway and makes the road easier to drive. In addition to resurfacing treatments, such as hot-in-place recycling, this performance measure includes the first time hard-surfacing of gravel roads.

The performance measure counts all individual travel lanes that have been resurfaced. For example, resurfacing 15 kilometres of a two-lane highway is recorded as 30 lane kilometres.

Performance Measure	2003/04	2004/05	2005/06 Target	2005/06 Actual	2005/06 Variance
Highway Rehabilitation:					
• Number of lane kilometres resurfaced.	2794	2765	2500	2601	101

This and the pavement condition measure will be replaced in 2006/07 by a measure of improvements to the main highway system to offset deterioration.

How the results are measured

Lane kilometres are measured in the field during resurfacing projects.

Data reliability

The data comes from completed contract records.

Explanation of variance

The target was exceeded; the ministry was able to initiate additional projects due to early tendering.

Objective 3

Improved road access for resource industries and rural residents.

Key Strategy A

Continue to invest \$75 million per year to address the deficit in Heartlands road quality.

Performance Measure 1: Surface Condition of Heartlands Roads

This measure is an indicator of the condition of paved and gravel road surfaces which combines results from automated and visual measurement surveys.

Performance Measure	2002/03	2003/04	2004/05	2005/06 Target	2005/06 Actual	2005/06 Variance
Surface Condition:						
• Percentage of kilometres where condition is good or excellent.	34%	39%	44.5%	43%	46%	3%

This and the following measure will be replaced in 2006/07 by a measure of cumulative improvements made to side roads to offset deterioration.

How the results are measured

Independent contractors measure surface distress and roughness for paved surfaces on a four-year cycle. Representative samples of gravel surfaces are also measured.

Highways that are improved through base reconstruction, first time hard surfacing or other treatments have their surface condition measured in the field during program delivery. These measurements will be included until 2006 to provide additional data, while the automated condition surveys are underway. The surveys are conducted by contractors using automated road testing vehicles equipped with sophisticated on-board systems and instrumentation.

Data reliability

The surveys and data post processing are guided by quality assurance procedures to ensure the data is collected accurately and is repeatable from year to year. The use of a third party contractor to collect the data provides objectivity and consistency throughout the province. The surveys are designed to provide accurate and representative data that will allow the ministry to analyze the side road network as a whole. The data is collected using proven survey methodology, and stringent quality control and quality assurance specifications.

The performance measure shows the findings of the most recent survey of the side road network, and cannot be interpreted as a depiction of the entire side road network system in any one year. The trend over years is a better indicator of side road network condition than the actual value in any one year.

Explanation of variance

The target was exceeded slightly; however, given the limitations described above, these single-year results should not be attributed to the overall condition of the side road system.

Key Strategy B

Invest strategically to support B.C.'s resource industries, by providing enhanced ability to move critical goods that drive the economy.

Performance Measure 2: Number of Lane Kilometres Treated

Lane kilometre treatments include base reconstruction and strengthening, gravel surfacing and first time hard surfacing or resurfacing. These measures apply to northern and Heartlands roads only.

Performance Measure	2002/03	2003/04	2004/05	2005/06 Target	2005/06 Actual	2005/06 Variance
Number of lane kilometres treated.	870	894	939	870	1 114	244

This and the previous measure will be replaced in 2006/07 by a measure of cumulative improvements made to side roads to offset deterioration.

How the results are measured

The condition data for northern and rural roads now resides in the ministry's corporate Road Pavement Management system. Lane kilometres of roads that are treated are measured in the field.

Data reliability

Reliable distance measuring devices are used in the field and distances are measured during program delivery.

Explanation of variance

The target was exceeded as in many cases the required treatments involved sealcoating and gravelling which are less sensitive to rising asphalt and fuel commodity costs, freeing up resources to do additional work.

Objective 4:

Improved highway safety and reliability.

Key Strategy A

1. Monitor highway safety and improve high-risk locations, with input from Regional Transportation Advisory Committees.
2. Maximize highway safety and reliability through safety-focused enhancements and low-cost improvements such as signs, lighting and lane markings.

3. Work with safety partners such as ICBC, the RCMP and the Ministry of Public Safety and Solicitor General to develop a safety plan to achieve the targets established in the Canada-wide Road Safety Vision 2010.

Performance Measure 1: Crash Reduction after Construction on Safety Improvement Capital Projects

A comparison between baseline measures prior to capital improvements (benchmark is 725 crashes) and measured results after the safety improvements is completed. A minimum of three years of crash data is required after project completion to determine a trend in improved safety.

Performance Measure	2005/06 Target	2005/06 Actual	2005/06 Variance
Crash reduction after construction on safety improvement capital projects.	50 Crash Reduction	72 Crash Reduction	22 Crash Reduction

How the results are measured

When the RCMP attend an automobile accident on a provincial road, the crash data they collect is sent to ICBC. ICBC removes any personal details and provides the data to the ministry.

Data reliability

A long time frame is needed to have confidence in the achieved safety benefits. Results reported this year should be considered as preliminary.

Explanation of variance

The target was exceeded; however, the results are preliminary due to the short measurement period.

Key Strategy B

Minimize the number of unplanned road closures through implementing in place preventative measures.

Performance Measure 2: Highway Closures

The ministry tracks all unplanned closures longer than 30 minutes on numbered highways. Based on past experience, the ministry expects approximately 2,500 hours of unplanned closures each year. The ministry has little control over unplanned closures as most are the result of accidents or natural causes; however, preventative maintenance does help prevent many closures.

The ministry minimizes closures by quickly clearing debris and collisions, using rock scaling and planned avalanches to prevent slides and uncontrolled avalanches, working with police to minimize the duration of closures after accidents and making physical improvements to the highway system.

Performance Measure	2003	2004	2005 Target	2005 Actual	2005 Variance
Annual duration in hours of unplanned highway closures greater than half an hour for all numbered highways.	3,723	1,802	2,500	2,688	(188)

Reporting of this measure will be discontinued in 2006/07 since it is largely outside the ministry's control.

How the results are measured

Highway closures are compiled by the Provincial Highways Conditions Centre based on data collected by road and bridge maintenance contractors, ministry personnel and outside emergency response agencies such as the RCMP.

Data reliability

Data providers may not always know the exact time a closure began, but they use the best estimate that could be established at the time of the incident.

Explanation of variance

The target was essentially met; however, given the factors described above, hours of unplanned highway closures are largely outside the ministry's control.

Objective 5

Effective road safety enforcement, education and programs for the commercial transport industry.

Key Strategies

1. Work with industry stakeholder groups to promote better understanding of the regulations and policies intended to promote safety for users of the highway system.
2. Promote regulations and policies which are based on recognized safety criteria.
3. Distribute information brochures promoting safe driving and vehicle maintenance practices.
4. Establish and enforce standards that govern British Columbia's commercial transport industry.
5. Work with other jurisdictions to coordinate and harmonize commercial transport and vehicle safety standards.
6. Introduce systems improvements to enhance the quality and timeliness of commercial vehicle safety data for monitoring and enforcement.

Performance Measure: Variation from National Average in OOS Rate for Commercial Vehicles

The percentage of vehicles with defects which result in the vehicle being placed Out-Of-Service (OOS) has historically proven to provide a good barometer for measuring trends toward vehicle safety. Traditionally, the acceptable level for OOS is within +/- 2 per cent of the national average for commercial vehicles as determined during the International Roadcheck.

Performance Measure	2003/04 OOS Rate	2004/05 OOS Rate	2005/06 Target	2005/06 Actual OOS Rate	2005/06 Variance
Provincial average OOS rate for commercial vehicles.	21.5%	19.8%	+/- 2% of national average	18.9%	Within target (0.4%)
National average.	20.1%	21.6%	Not applicable	18.5%	Not applicable

How the results are measured

The OOS rate is determined by dividing the number of OOS commercial vehicles by the total number inspected. This provides the OOS rate for British Columbia which is then compared to the national average.

Data reliability

Data was collected by ministry staff through random samples over 72 hours at four sites in British Columbia. The sites were consistent with prior years to ensure reliability.

Explanation of variance

The target was met. The trend shows a steady reduction in the OOS rate in British Columbia.

Objective 6

An effective risk management process is established across the ministry.

Key Strategy

Increase awareness of risk and risk management concepts and techniques through training, education and practice. Incorporate Enterprise Risk Management (ERM) into ministry planning and decision-making at all levels.

Performance Measure: Risk Management Plan

Risk management is a process for identifying and mitigating events that may have a significant impact on costs and achievement of goals and objectives. The ministry's risk management processes have been used to effectively manage operational risks for many years. In 2005/06, the ERM approach was integrated to enhance these activities. The ministry delivered a number of staff training and awareness sessions and a series of intensive workshops to achieve integration. Risks, their potential likelihood and consequences of occurrence, and possible mitigation strategies were identified. Workshop results will be considered in the continuing development of the ministry's risk management strategy.

Performance Measure	2005/06 Target	2005/06 Actual	2005/06 Variance
Risk management plan.	Completion of the plan.	ERM approach integrated with existing risk management processes.	Not applicable

Reporting of this measure will be discontinued in 2006/07 as it is an input measure and an intrinsic part of ministry business.

Goal 3

British Columbia's transportation industries become more competitive.

Core Business Area

Transportation Improvements.

Objective 1

Reduction or elimination of third party regulations and policies that impede British Columbia's ability to compete with other jurisdictions in the transportation market.

Key Strategy

Work with the Vancouver International Airport Authority (YVRAA) to encourage the federal government to adopt a policy of liberalized international air agreements that would allow more carriers to stop in Vancouver and either pick up or drop off passengers and goods.

Performance Measure: Progress Toward Implementation of an Amended Canada-U.S. Air Travel Agreement

This performance measure is non-traditional in that its achievement is entirely under the control of a third party (the federal government). Nevertheless, updated air agreements are critical to the growth of Vancouver International Airport (YVR) as a North American gateway.

Performance Measure	2003/04	2004/05	2005/06 Target	2005/06 Actual
Progress toward implementation of an amended Canada-U.S. air service agreement.	Memorandum of Cooperation with YVR Airport Authority.	Implemented Memorandum of Cooperation strategy and reported on results. Canada and U.S. agreed to commence exploratory talks.	Amended Canada-U.S. air service agreement.	Amended Canada-U.S. air service agreement negotiated by Canada in Nov. 2005, to come into effect in Sept. 2006.

Reporting of this measure will be discontinued in 2006/07 as the agreement is in place.

How the results are measured

Results are measured in terms of milestone events. In 2005/06, the amended Canada-U.S. air service agreement was negotiated.

Objective 2

Building on the British Columbia Ports Strategy as part of a Pacific Gateway Strategy.

Key Strategies

1. Ensure British Columbia's ports and airports are gateways for economic growth and development by providing a long-term plan.
2. Work closely with other ministries where responsibilities may overlap in the implementation of this plan.

Performance Measure: Container Traffic (Millions, TEU)

Key service plan indicators for measuring the economic growth of British Columbia's ports included the increase in share of container traffic on the Pacific West Coast, direct jobs and economic output. The target for 2005/06 was a three per cent growth in all port system indicators over benchmarks reported in the British Columbia Ports Strategy. In recognition of data availability and reliability limitations, the results below are reported in terms of growth in actual container volumes only.

Performance Measure	Benchmark	2005/06 Target	2005/06 Actual	2005/06 Variance
Container traffic volume (millions, TEU).	1.80	1.85 (3% growth)	2.10 (17% growth)	0.25 (additional 14% growth)

TEUs are twenty-foot equivalent units, a standard measure for containers where one TEU = one 20 foot container. This measure will be modified in 2006/07 to measure growth in container volume expressed as a percentage.

How the results are measured

Asia-Pacific container traffic volumes handled by North America's west coast ports in 2003 are included in the B.C. Ports Strategy as a benchmark against which to compare future container volumes. Updated 2005 figures from the key trading ports in B.C. have been compared with the 2003 traffic volumes.

Data reliability

Actual container traffic volumes are reported annually.

Explanation of variance

Growth in container traffic handled by British Columbia's key trading ports exceeded the target by 14 per cent. This growth is being driven by the rapid increase in Asia-Pacific container traffic, which is projected to increase 300 per cent by 2020.

Goal 4

Excellent customer service is achieved and the ministry is recognized as a good employer.

Core Business Areas

All

Objective 1

Excellent service is provided to all British Columbians.

Key Strategies

1. Compare annual survey results to baseline data gathered in prior years.
2. Conduct focus group sessions with individual stakeholder groups to identify potential service delivery gaps.
3. Survey internal business unit staff and colleagues to identify structural or business process improvement opportunities.
4. Use survey results and feedback to improve processes, procedures and communications within the ministry.

Performance Measure: Customer Satisfaction

The goal of the customer satisfaction survey program is to obtain a complete view of the ministry's service delivery. In 2005 the survey scope was expanded to include all external customers and stakeholders, internal clients and colleagues, and highway users. The combination of internal and external resources allowed for a greater number of people to be surveyed. The survey allowed the ministry to set a benchmark for service delivery with internal business units while measuring customer satisfaction against previous year performance and projected targets.

Performance Measure	Benchmark Ten point scale	2005/06 Target	2005/06 Actual	2005/06 Variance
Customer Satisfaction	7.0	7.5	7.85	0.35

How the results are measured

Each survey respondent was asked a common set of questions. Prior year benchmark data used a ten point scale while a five point scale was used for 2005. Transitioning the measures from the previous year ten point scale to the new five point scale required a ratio factor to be developed in 2004 by administering two surveys of the same questionnaire, one in a five point scale and one in a ten point scale. The table above displays the year in the ten point scale. Future targets and actuals will be cast in the five point scale.

Data reliability

The margin of error was +/- 1.9 per cent at the 95 per cent confidence interval for aggregate survey results, accurate to within 1.9 percentage points 19 times out of 20.

Explanation of variance

The survey results for 2005 suggest the ministry is meeting and exceeding its goals to improve service quality and the ministry will achieve an even higher level of satisfaction in 2006.

Objective 2

Employees are provided with the support, training and working environment they need to excel at their jobs.

Key Strategies

1. Implement an employee advisory forum to provide a conduit whereby the Executive and ministry staff can identify workplace concerns and engage in continuous improvement.
2. Undertake annual surveys of employee engagement and use the results to target key items for workplace improvement.

Performance Measure: Employee Satisfaction

Employee satisfaction is measured through a survey administered by BC Stats to all staff. It is a measure of the current level of employee satisfaction and of how well the ministry is progressing toward the goals outlined in the People Plan, which has evolved into an Employee Advisory Forum. Future measurements will focus on employee engagement, of which employee satisfaction is but one element.

Performance Measure	2003/04	2004/05	2005/06 Target	2005/06 Actual	2005/06 Variance
Employee Satisfaction: • Assessed through the annual Employee Satisfaction Survey.	62%	64%	69%	64%	(5%)

This measure will be replaced in 2006/07 by an employee engagement measure.

How the results are measured

An employee survey solicits input on job satisfaction. The results are analyzed and interpreted to provide a comprehensive report.

Data reliability

The data is considered reliable and provides a good indicator of employee satisfaction. Each year that the survey is administered increases the data set and therefore the overall reliability.

Explanation of variance

This year's survey produced a five per cent negative variance with regard to employee satisfaction. The ministry's staff expanded by over 20 per cent with the addition of new program responsibilities in the early fall of 2005, just prior to the survey release. The variance can be explained at least in part by the new staff, the addition of whom improved the survey results for some questions and lowered them for others.

Deregulation

The Provincial government has committed to reducing unnecessary red tape and regulation. The goal is to produce smart regulations that cost less and are more effective, results-based and responsive to our fast changing world. The Minister of Small Business and Revenue is responsible for the regulatory reform initiative. However, each minister is responsible and accountable for regulatory reform within his or her mandate.

The Ministry of Transportation continues to support the government's deregulation and regulatory reform initiative by conducting annual reviews to look for opportunities to streamline its legislation. The current objective is to maintain the June 2004 baseline.

Progress was measured on the government-wide database that tracks all changes to the baseline count. The database is administered by the Smart Regulation Office of the Ministry of Small Business and Economic Development.

Ministry of Transportation targets were met or greatly exceeded. Introduction of the new *Passenger Transportation Act* and Regulation, which replaced the *Motor Carrier Act* and Regulation, resulted in a 56 per cent reduction in regulatory requirements for this area.

Performance Measure	2005/06 Target	2005/06 Actual	2005/06 Variance
Maintain June 2004 baseline Passenger Transportation legislation, regulations and policies.	0% increase	56% decrease	56% decrease
Maintain June 2004 baseline legislation, regulations and policies.	0% increase	0% increase	0

Report on Resources

The ministry dedicates almost all its resources to planning, building and protecting a transportation network that will strengthen British Columbia's economies and communities. It invests heavily in transportation improvements, public transportation, and highway operations to provide this network and keep it safe and reliable. The ministry also diligently monitors the service it provides to ensure the public is getting good value for money.

Minimal resources are dedicated to administering key transportation regulations. The ministry anticipates no major changes in its available resources or the way they are invested.



*Kelowna
New Hybrid Electric Bus*

Resource Summary 2005/06

Ministry of Transportation

	Estimated	Other Authorizations	Total Estimated	Actual	Variance
Operating Expenses (\$000)					
Transportation Improvements	17,925	0	17,925	20,318	(2,393)
Public Transportation ¹	359,292	10,645	369,937	360,303	9,634
Highway Operations	437,337	0	437,337	444,601	(7,264)
Passenger Transportation Regulation	2,301	0	2,301	1,917	384
Executive and Support Services	12,236	0	12,236	12,282	(46)
Total	829,091	10,645	839,736	839,421	315
Full-time Equivalents (FTEs) ²					
Transportation Improvements	286	0	286	240.1	45.9
Highway Operations	932	0	932	956.9	(24.9)
Passenger Transportation Regulation	22	0	22	18.8	3.2
Executive and Support Services	83	0	83	80.2	2.8
Total	1,323	0	1,323	1,296	27
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000) ³					
Transportation Improvements	1,255	0	1,255	633	622
Highway Operations	17,163	0	17,163	14,772	2,391
Passenger Transportation Regulation	183	0	183	29	154
Executive and Support Services	398	0	398	80	318
Total	18,999	0	18,999	15,514	3,485
Other Financing Transactions (\$000) ⁴					
Prepaid Capital Advances — Public Transportation	24,800	0	24,800	20,504	4,296
Revenue (\$000) ⁵					
Total Receipts	114,492	0	114,492	120,903	(6,411)

¹ The ministry accessed government contingency for \$10.6 million to fund fuel cost pressures and a provincial sales tax assessment on Rapid Transit Project 2000 rolling stock.

² FTE staff usage was 27 under budget due largely to recruitment lag.

³ The ministry CRF capital budget was under expended largely due to the deferral of systems and operating equipment purchases.

⁴ Prepaid Capital Advances are made to support Public Transportation around the province. The variance is due to revised capital expenditures by Rapid Transit Project 2000.

⁵ Revenue was \$6.4 million higher than expected due to increased Coquihalla Toll and weigh scale permit revenues.

BC Transportation Financing Authority

	Total Estimated ¹	Actual	Variance
Revenue (\$000)			
Dedicated taxes ²	425,200	429,901	(4,701)
Amortization of deferred contributions ³	165,270	167,932	(2,662)
Other revenue ⁴	46,888	55,663	(8,775)
Total	637,358	653,496	(16,138)
Expenditures (\$000)			
Amortization	313,002	313,590	(588)
Interest ⁵	156,279	155,365	914
Heartlands roads program ⁶	35,000	12,964	22,036
Grant programs ⁷	94,012	65,763	28,249
Operations and administration ⁸	28,625	53,156	(24,531)
Total	626,918	600,838	26,080
Net Income (\$000)			
Net Earnings (Loss)	10,440	52,658	(42,218)
Capital Plan (\$000)⁹			
Transportation Improvements	647,673	639,365	8,308

¹ These amounts have been restated to be consistent with the classification of revenue and expenditures adopted for the 2006/07 and subsequent years' budgets.

² Dedicated taxes include 6.75 cents per litre motor fuel tax and a provincial sales tax on short-term car rentals of \$1.50 per day.

³ Contributions toward capital assets are deferred and amortized to income at the same rate as the related highway infrastructure is amortized to expense.

⁴ Other revenue includes interest, property and economic development revenues.

⁵ Interest on borrowing used to finance construction work in progress is capitalized. Upon completion, related interest costs are expensed.

⁶ Improvements to Heartlands roads are included in capital expenditures; repairs to Heartlands roads are expensed. Total Heartlands roads program is \$75 million per year to the end of 2007/08, then \$55 million for 2008/09. The variance in the expense portion was offset by a greater portion included in capital expenditures.

⁷ Grant programs include grants paid under the Transportation Partnerships Program for ports and airports, the provincial contribution to the Canada Line rapid transit project and other projects. The variance was primarily due to adjustments in the Canada Line and in the Port of Prince Rupert project delivery schedules.

⁸ Operations and administration variance was primarily due to unanticipated write down of project costs and First Nations accommodation agreements.

⁹ Capital Plan numbers are net of federal funding.

Complete BC Transportation Financing Authority Financial Statements are available at:
http://www.th.gov.bc.ca/publications/ministry_reporting/BCTFA/05-06_financial_statement.pdf.

Major Capital Projects

Nisga'a Highway

Objective: The Nisga'a Highway Project has been a seven-year investment program that involved upgrading the Nisga'a Highway from a gravel resource road to an all-weather, two-lane highway that meets a 70 kilometres per hour standard. The upgrade, which is expected to be finished by June 2006, will better serve Nass Valley residents and resource industries in the area.

Costs: The estimated total cost for the seven-year program is \$52 million.

Benefits:

- Safer roads;
- travel time savings;
- better access to British Columbia communities; and
- economic development through increased tourism and more efficient movement of goods and services.

Risks: This project has presented engineering and construction challenges due to the rugged terrain. However, few risks remain as the construction left on the Nisga'a Highway upgrade is straightforward gravel and paving work.

Kicking Horse Canyon

Objective: Upgrade the 26-kilometre section of the Trans-Canada Highway to a modern, four-lane standard from the junction of Highway 95 at Golden to the western boundary of Yoho National Park. This corridor was originally constructed throughout the 1950s and is mostly two lanes wide. It is an important route for tourism and inter-provincial trade, serving as a gateway between British Columbia and the rest of North America. Additionally, by connecting remote resource extraction sites with processing, manufacturing and distribution centres, this portion of the Trans-Canada Highway is a key part of our province's resource economies, particularly forestry and mining.

The Kicking Horse Canyon project has three phases, of which only the first two are funded and underway.

Costs: The estimated cost is \$195 million for the first two phases.

- **Yoho (5-Mile) Bridge (current budget \$65 million):** The cost of this work is being shared with the Government of Canada under the Strategic Highway Infrastructure Program. The federal portion is \$23 million and the provincial portion is \$42 million. Expenditures to March 31, 2006, are \$53 million. Construction is on schedule and expected to be complete by fall 2006.
- **Park (10-Mile) Bridge (current budget \$130 million):** The cost of this work is being shared with the Government of Canada under the Canadian Strategic Infrastructure Fund. The federal portion is \$62.5 million and the provincial portion is \$67.5 million. The provincial government awarded a public-private partnership to deliver the improvements

through a Design-Build-Finance-Operate (DBFO) contract in October 2005. Design and construction by the DBFO contractor commenced in November 2005. Expenditures to March 31, 2006, are approximately \$29 million.

Note: It is anticipated that in the future there will be a third phase for upgrades from Golden to 5-Mile and 10-Mile to Yoho National Park when federal cost-sharing is secured. Improvements likely will be made over the longer term, rather than within the three-year scope of the most recent service plan. Preliminary engineering work is underway.

Benefits:

- Safer roads and increased capacity on a critical provincial and national gateway;
- fewer road closures due to slides and accidents;
- replacement of two major structures that are nearing the end of their service lives; and
- economic development through increased tourism and more efficient movement of goods and services.

Risks:

- Challenging climatic and geographic conditions; and
- managing traffic during construction.

William R. Bennett Bridge

Objective: Construct a new five-lane bridge to replace the existing 48-year-old bridge which is now at the end of its economic and useful life, and reduce the increasing traffic congestion. A competitive procurement process resulted in the selection of SNC-Lavalin as the private partner to design, build, finance and operate the new bridge and related improvements to the highway approaches.

Costs: The bridge and east approach capital improvements are estimated to cost \$144.5 million.



*William R. Bennett Bridge
Installation of Top Slab Formwork.*

Benefits:

- Improved safety;
- reduced congestion and travel time;
- reliable 75-year life for new bridge; and
- economic development through increased tourism and more efficient movement of goods and services.

Risks: Engineering and construction challenges, which are substantially transferred to the private sector through the public-private partnership.

Sea-to-Sky Highway Improvement Project

Objectives: Implement extensive improvements to the existing highway between Horseshoe Bay and Whistler to improve safety, reliability and mobility. The improvements will make travel along the corridor safer for residents, commuters, tourists and businesses moving goods.

Costs: The ministry chose a combination of private partnerships to deliver the highway improvements on the Sea-to-Sky corridor. Approximately two-thirds of the capital expenditure of the overall project is being undertaken through a 25-year performance-based public private partnership between the ministry and the S2S Transportation Group. The total capital budget for the project is \$600 million with on-target expenditures of \$170 million to March 31, 2006. Further information including a Capital Project Plan is available at: <http://www.seatoskyimprovements.ca/>.

Benefits:

- A safer road;
- increased capacity;
- reduced vehicle operating costs;
- fewer road closures due to slides and traffic incidents; and
- First Nations' participation and opportunities.

Risks:

- Difficult terrain and unstable areas that the highway crosses;
- the need to keep a large volume of traffic flowing while carrying out the improvements;
- the need to address municipal, First Nations, community and environmental issues; and
- the unalterable schedule for completing the job.

Rapid Transit Project 2000

Objective: The Millennium Line project, which is complete and running smoothly, included construction of the 21.6 kilometre Millennium Line extension to the SkyTrain rail transit system in the Lower Mainland, plus feasibility studies of two planned further extensions of the SkyTrain. The last major milestone for the Millennium Line — the construction of the last portion from Commercial Station to Vancouver Community College — was achieved in December 2005. The completion of the Millennium Line provides the Lower Mainland with the longest (48 kilometres) fully-automated rapid transit system in the world.

Costs: The total cost of the Millennium Line is \$1.104 billion, which is \$63 million lower than its approved budget of \$1.167 billion.

Benefits:

- Rapid transit service for current and future commuters;
- reduced congestion;
- reduced pollution from automobile exhaust emissions;
- slower growth in the demand for new highway infrastructure; and
- less urban sprawl, due to compact development around transit stations.

Risks: No risks as the Millennium Line is complete. The RTP 2000 website is located at: <http://www.rapidtransit.bc.ca>.

Transportation Investment Plan

Key components of the Transportation Investment Plan include:

- **Border Crossing Program** — Roughly \$91 million was invested in 2005/06 on projects to enhance the free flow of goods through British Columbia's busiest border crossings to keep international trade moving and the economy strong. Of this, \$31 million was recovered from federal and municipal partnering opportunities. The program's multi-year projects, totaling \$258 million, will be cost-shared with the federal government.
- **Gateway Program** — \$44 million was invested in 2005/06 in reducing congestion and improving the movement of goods, people, and transit throughout Greater Vancouver through a proposed program of road and bridge improvements along and across the Fraser River. Proposed projects include:
 - South Fraser Perimeter Road, a primarily new east-west route along the south side of the Fraser River;
 - North Fraser Perimeter Road, a set of improvements to existing roads from Coquitlam to Maple Ridge, including a new high-level Pitt River Bridge to replace the existing swing bridges; and
 - Port Mann Bridge/Highway 1, which involves twinning the Port Mann Bridge, upgrading interchanges, and improving access and safety along Highway 1 from Vancouver to Langley. The project would make it possible to extend the high occupancy vehicle lanes and transit across the bridge.

The ministry is consulting with local and regional governments and conducting technical and financial analyses to develop a draft project scope for public consultation and environmental assessment review. The Gateway Program has developed a draft cycling plan for consultation, to accommodate commuter and recreational cyclists within the Gateway corridors, including across the potentially-twinning Port Mann Bridge. This component will see the largest single expansion of cycling network in the history of British Columbia — a \$50 million commitment.

- **Highway Corridors** — Investments totaling \$72 million were made in 2005/06 improving the performance of highway corridors through projects such as passing lanes, four-laning, left turn slots, realignments and safety upgrades. \$9 million of this was recovered through the federal Strategic Highway Infrastructure Program (SHIP). Projected investment from

2005/06 to 2007/08 is in the order of \$200 million. Approximately \$10 million of this will come from the federal government under the SHIP.

- **Cariboo Connector** — Widening the 460-kilometre portion of Highway 97 from Cache Creek to Prince George will increase safety and decrease travelling times while providing northern communities with a first-class trade corridor that meets the needs of a rapidly expanding economy. Phase 1 of this five-year program was initiated in 2005/06, with about \$9 million invested.
- **Highway Rehabilitation** — Invested \$151 million in 2005/06 in road and bridge surfacing, bridge rehabilitation, seismic retrofits and highway safety improvements.
- **Heartlands Roads** — Making Heartlands roads safer and more reliable, and improving connections between communities. The ministry invested \$81 million in 2005/06 to renew the northern and rural road network.
- **Okanagan Corridor Improvements** — In addition to replacing the Okanagan Lake Bridge with the new William R. Bennett Bridge, trade and tourism will be supported by investing approximately \$20 million a year on projects that will reduce congestion in rural and urban areas by four-laning Highway 97 between Summerland and Peachland, upgrading highways 97 and 33 within Kelowna, four-laning Highway 97A north of Vernon to Armstrong and upgrading key intersections with the Trans-Canada Highway.
Investments of \$11.9 million in 2005/06 saw, among other projects, the completion of Okanagan Lake Park to Greta Ranch, Swan Lake to Larkin, Highway 97 Lyness Passing Lane, and the Ponderosa Intersection.
- **Transportation Partnerships Program** — Approximately half a million dollars was invested in 2005/06. The program is helping to develop the closest port in the Americas to the rapidly growing Asia-Pacific market by supporting a container handling facility at the Port of Prince Rupert. Modernization and expansion of airports across British Columbia to boost tourism and create new jobs and economic development opportunities are also being supported. Along with contributions from partners, the ministry continues to reserve \$10 million a year that will bring benefits for regional economies. A portion of this program funding is directed to cost-sharing on the development of bicycle networks to make cycling a safe and attractive option for commuters.
- **Weigh Scales Upgrade Program** — Over the final year of this three year program, an estimated \$5 million will be invested to reduce wait times and improve accessibility and safety. These changes will reduce trucking industry costs and allow the faster transportation of goods. The ministry is also saving money by partnering with the Province of Alberta on joint use facilities. One such Joint Use Vehicle Inspection Station is currently under construction on the Trans-Canada Highway west of Golden and is scheduled for completion this summer.
- **Heartlands Oil and Gas Road Rehabilitation Strategy** — Roughly \$38 million was invested in 2005/06 in rehabilitating the existing public road infrastructure in the Northeast region of the province to help eliminate seasonal road restrictions and extend the winter drilling season for oil and gas exploration, thereby attracting new investment and creating jobs. This rehabilitation is being done in partnership with the Ministry of Energy, Mines and Petroleum Resources.

- **Richmond-Airport-Vancouver Rapid Transit Project (RAV)** — The RAV project (Canada Line) is a jointly-funded (British Columbia Government, Vancouver International Airport, Federal Government and the Greater Vancouver Transportation Authority (GVTA)) rail-based rapid transit line that will link central Richmond, the Vancouver International Airport and Vancouver's downtown business district. The project is deliverable by the GVTA through its subsidiary RAVCO. The Province is committed to making \$435 million in contributions; \$65 million was invested in the project in 2005/06.

